

NATION'S BUSINESS

DECEMBER
1942



"By the Blessing of God... Independence Now... and Forever"

THE PATH OF WAR

Telephone lines are the paths of war. Marching over them in endless file are messages that must get through.

There's no way to build more lines because materials are going into arms for men like these American para-ski troops. But there is a way you can help keep the wires clear for urgent needs.

Please don't make Long Distance calls to centers of war activity unless they are VITAL.

Remember — war calls come first!

Bell Telephone System



U. S. PARA-SKI TROOPS



They're Finishing the World's Longest Highway

A typical example of B. F. Goodrich leadership in truck tires

YOU'RE looking at a small section of the great Inter-American Highway. When completed this highway will be the longest in the world, linking Alaska with the Panama Canal!

Some day you'll be able to spend your vacation driving comfortably over its paved surface—through Mexico, Honduras, Costa Rica, and on to the "big ditch".

But that's *some* day.

Right now this vital route is being rushed to completion for military reasons. Army and civilian engineers are waging a day-and-night blitzkrieg against nature to get it finished quickly. To do this they must work in all weather—edging their way around breath-taking slopes, pushing through shoulder-high jungle growth, fighting muck and mire and shifting sand.

It takes the best that's in a man or a machine to build this great highway.

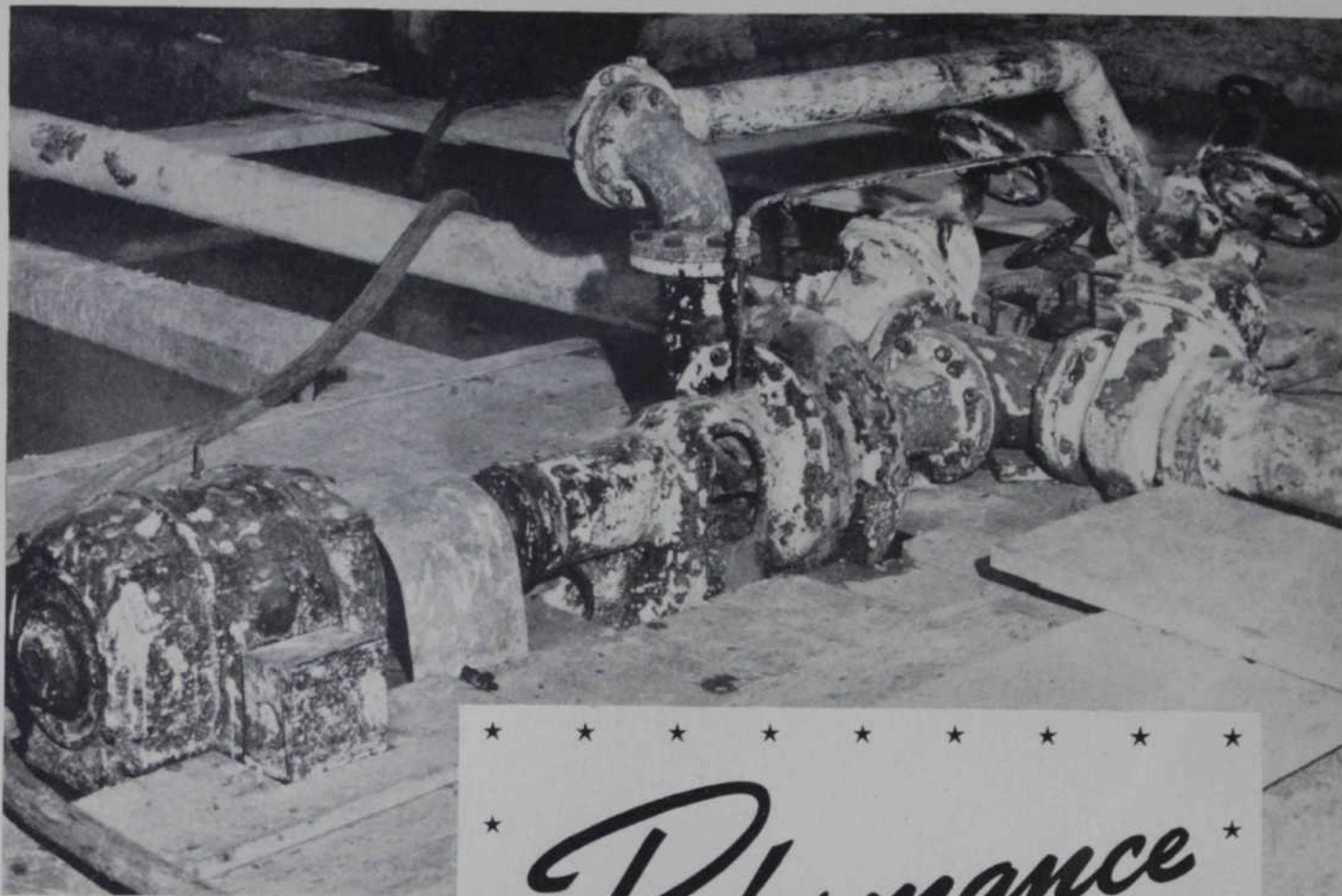
And it takes the best tires that science can produce to hold up under such relentless punishment. That's why B. F. Goodrich Tires have been selected to play their part. Anyone who has been in the construction business knows of the research that is constantly going on at B. F. Goodrich to develop such tough, mud-fighting, long-wearing rubber "huskies". A typical example of B. F. Goodrich leadership.

B. F. Goodrich has gone "all out" for Uncle Sam, but in addition to meeting military demands, it is still our duty to provide tires for essential civilian use. And, while we don't urge you to buy new tires, we recommend that when you *must* have them you get the best.

B. F. Goodrich Silvertowns for trucks and buses have a

well-deserved reputation for long, trouble-free service. Every one of them is made with a Load-Shield that protects against road and load shocks, and is fortified with Duramin, the amazing B. F. Goodrich chemical discovery that keeps rubber young and tough. So when you next secure a truck tire ration certificate see your B. F. Goodrich Dealer *first*, for B. F. Goodrich is First in Rubber.





★ ★ ★ ★ ★ ★ ★ ★ ★ ★

Performance

★ ★ ★ ★ ★ ★ ★ ★ ★ ★

SPEAKS THE
FINAL WORD IN TIMES
LIKE THESE!

★ ★ ★ ★ ★ ★ ★ ★ ★ ★

THE picture isn't pretty . . . but the performance is magnificent! Pumping raw bone gelatin stock is just about as tough a pumping job as there is. That is why the Atlantic Gelatin Company, when ordering this Fairbanks-Morse Pump and Splashproof Motor Unit specified that the unit had to make good — or else!

It did. Two months after installation, the Atlantic Gelatin Company ordered another unit just like it. Three years later it had a *three-year record* of perform-

ance *without any time out for repairs!*

That kind of performance is never the result of luck or circumstance. It is *built in at the factory.*

Use your priority to get Fairbanks-Morse Pumps for your war production job. Because of mechanical superiority, they retain their efficiency after less highly engineered pumps begin to waste power. Buy for today's job — yes — but with an eye for tomorrow, too. Fairbanks, Morse & Co., 600 S. Michigan Ave., Chicago.

FAIRBANKS-MORSE



**PUMPS
DIESELS
MOTORS
SCALES**



**He's setting his sights on an enemy*
3700 MILES AWAY

THE ENEMY this American is fighting is an army few people think about. Yet this army is as real and powerful and dangerous as any Axis fighting force. It's the army of Nazi technologists that is working night and day to give Hitler's war machines greater destructive power.

Superior engine performance means an important advantage in battle. That is why the research engineers of our own country, like the man in the picture, are pitting their knowledge, experience and ingenuity against the Axis. They know that the outcome of this battle of research might well decide the course of the entire war. They know it's their responsibility to be *first* with the fuels and engines that will give our airplanes and mechanized equipment more

power, more speed and greater cruising range. There's no second prize in this fight!

These scientists do not underestimate the resourcefulness and cunning of the enemy. But they believe the odds are in our favor. They know, for instance, that American petroleum engineers have led the world in developing processes for producing high-octane fuels. They know that American engine designers know how to build engines to take full advantage of improved fuels.

The war is spurring them on to new, even greater efforts. Already they have developed many devices to meet changing combat conditions—and more are coming. And these new fighting machines are being produced in the true spirit of American cooper-

ation—through teamwork by many industries.

Since Ethyl fluid is used in the manufacture of high-octane fuels, Ethyl research workers are cooperating with the engineers of the oil and automotive industries in their research. The Ethyl laboratories also cooperate with the technical staffs of the armed forces. They have only one objective—to help in every possible way to give our men fighting machines which will surpass anything the Nazis or their Japanese henchmen can devise.



ETHYL CORPORATION

Chrysler Building, New York City

Manufacturers of Ethyl fluid, used by oil refiners to improve antiknock quality of aviation and motor gasoline.



THEN . . . it can be told!

When der Schinkelgruber's white undershirt floats over the last Nazi stronghold . . . then the veil of secrecy will begin to rise from the story of American military might abroad . . . and from the story of American industrial miracles at home. Particularly from *The Chessie Corridor*. Prodigies of wartime production are taking place here . . . because this small area of the United States is so incredibly rich in the resources that enable all sorts of industries to produce—*swiftly and economically*.

After the war, when *The Chessie Corridor's* Army-Navy "E" flags join the banners of victory carried by our troops, great news will continue to come from *The Corridor*—telling then of new products now undreamed of. For the enormous resources of raw materials, power and fast transportation

to nearby markets will still be in *The Chessie Corridor* . . . waiting to be drawn upon by expanding peacetime industries.

Are you looking today for location for a war plant? Are you wondering where your firm can most economically produce *tomorrow*—when you face the new competition of a postwar world? Then you should know what *The Chessie Corridor* offers you. And you should know it now.

THE FACTS IN GRAPHIC FORM are available to accredited executives, in a 56-page book called "The Chessie Corridor . . . Industry's Next Great Expansion Area." For your copy write (on your letterhead, please!) to INDUSTRIAL DEVELOPMENT SERVICE, Chesapeake and Ohio Lines, Huntington, West Virginia.



THE CHESIE CORRIDOR, Served by

CHESAPEAKE AND OHIO LINES

Geared to the ^{war}GO of America!

Serving WASHINGTON • NORFOLK • NEWPORT NEWS • RICHMOND • LYNCHBURG • VA. HOT SPRINGS • WHITE SULPHUR
CHARLESTON • HUNTINGTON • ASHLAND • LEXINGTON • LOUISVILLE • CINCINNATI • COLUMBUS • TOLEDO • CHICAGO



NATION'S BUSINESS

Chamber of Commerce of
the United States

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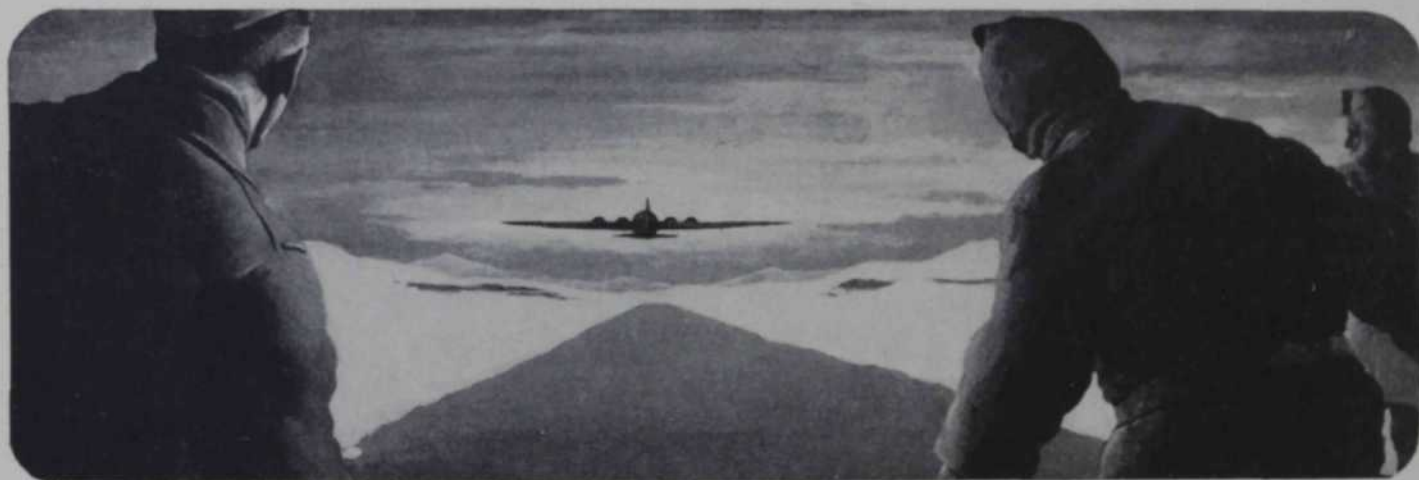
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VOLUME 30

NUMBER 12

How to get a Bomber *UP* *IN THE MORNING*



SOMEWHERE NORTH OF LATITUDE 42°...the snow-covered hills look down on a flying field. How different it is from those sun-baked runways the bomber's crew knew—short days ago at Kelly Field.

Yet neither hard-packed snow nor treacherous ice will keep this bomber from *taking off*—next leg on its flight to the fighting fronts!

For out there in the lifting murk, the runway has been freed and cleared by the deadliest enemy of snow and ice... *salt!*

Yes. International's Sterling Rock Salt is now serving our air forces. Serving them with the same efficient "auger-action" so familiar to highway engineers. Cracking sheet ice...melting snow...so that vital runways can be as quickly cleared as highways.

But alert military men and highway engineers are not alone in their knowledge of the many contributions that this common substance can make to the war effort. Leaders in glass-making, tanning and dyeing...in the meat-packing and canning industries...rely on salt or salt processes by International. And salt serves in scores of other industries. Salt is also of paramount importance to stock feeding and agriculture at large.

Would you like to learn more about salt? Just let us know where we can send you the important facts contained in the booklet, "*Salt by International.*" International Salt Co., Inc., Scranton, Pa. Rock salt, evaporated salt, lixate brine, salt tablets, Sterling table salt—for industry, agriculture, the home.

Through the Editor's Specs

Leading editorial of the month

IN REGULATING tires or anything else, there is a point beyond which it is foolish for a government to go. Even Leon Henderson says that. We mean that, after the regulatory system has reached certain limits of complexity, a reaction sets in and the prohibitions are met with violations and with the spirit of violation. As soon as a control measure simply antagonizes everybody, then it is no longer worth the ration cards it is printed on. In our opinion the country is perilously near this point in the matter of rubber tires; witness the new and immensely complex Certificate of War Necessity which the owners of trucks are wrestling with at the moment in order that they may continue to operate their vehicles.

Our grapevine tells us that even a patriotically minded people is going to balk at too much red tape: they don't mind the deprivation but they can't stand the paper work. In other words, a government finally reaches a point where it has to choose between having the people's tires and the people's patience wear out. In that event, better kiss the rubber goodbye. It's a safer gamble.—From *The New Yorker* of Oct. 31, 1942

Outsmartin' Bruce Barton?

WE WON'T argue the point if pressed, but we would have you know there are some mighty gifted amateur copywriters among Washington housewives.

Here is an ad from the "Domestic Help Wanted" columns of the *Washington Star*:

IF YOU NEED US, as we need you. This is all you have to do. \$15 for the wage per week. Just keep your eyes on children sweet. A pleasant room and private bath; Georgetown, 15 min. down the path. Come now, friends! Get on the go! Call Elmwood 710.

Tie that, you professionals! We dare you, Bruce Barton, and double dare you, Art Kudner.

To establish justice

DEMOCRATIC colleagues of Senator Barkley of Kentucky, administration leader of the Senate, have petitioned President Roosevelt to name him to the Supreme Court vacancy created

by resignation of Justice Byrnes. They commended Barkley to the White House because of his "faithfulness to you and your administration, his cutting the wood and drawing the water during all these years," which "have made it possible for him to accomplish great things for you."

Sober-minded Americans will feel this is a disservice to Senator Barkley, to the President, and to the public. Mr. Roosevelt doubtless is mortified to have his friends in the Senate think he will be moved to appoint a judge on the basis of his faithfulness to orders from the White House.

One of the many reasons we are fighting Hitlerism is because Hitler, in 1936, instructed every judge to ask himself, before giving judgment: "How would the Fuehrer judge in my place?" The Nazi theory is that law is merely a weapon in the political struggle, and we don't believe anyone wants that here.

So there!

WHEN a servant of the people gets to running around with a ceiling in his hands, he just has to find some place to put it, it seems.

We're thinking particularly of John F. McCarthy, Office of Price Administration rent attorney. A Colorado dude ranch owner inquired whether the rent ceiling covered the "meals, rooms and horses I furnish to patrons?"

Ceiling regulations forbid raising rent on a house, Mr. McCarthy explained, but allow increased prices on food. There just weren't any provisions for the horses.

Which might have answered the question. But Mr. McCarthy and some aides went into a huddle and he came out with this:

"A horse, as I see it, is like a house. The ceiling covers it; no raise in price allowed."

"You see," explained one of the aides, "when you put a ceiling on a horse you get a barn, and a barn is a house. So there!"

Simple, isn't it?

Investing in debt

A WELL-PLACED financial representative of a big government agency at a recent luncheon said:

"We all deplore a huge Government debt—say \$100,000,000,000 or more—but everyone recognizes today that, if it weren't for the government debt, insurance companies, banks and other huge financial organizations would go out of business. They would have no place to invest their money!"

He added that the existence of a national debt makes people interested in their Government and gives many citizens a chance to invest in a "sure thing" at a specified rate of interest.

We were tempted to ask him what the insurance companies and banks did with their surplus cash when we had no public debt to speak of, but we didn't want to spoil his luncheon, too.

The spending instinct

WHEN a young girl in slacks brought her pay check to a Kansas City apparel shop for the second week in succession and spent it all on clothes, a friendly saleswoman offered a bit of counsel. Didn't the girl think it best to save part of her dough?

"Heck, no," was the answer, as we heard the story. "All my life I've wanted good clothes. Now I'm going to have them."

There is the voice of youth of 1942. Among the newly-prosperous war workers are enough other spenders, we fear, to upset the plans of economists for inflation prevention through a vast backlog of deferred purchasing power in the form of savings by wage earners.

Twin troubles

SOLOMON in all his wisdom might well have been puzzled by some of the problems and dilemmas that are everyday fare around the council tables at the War Production Board.

What would sapient Sol have done, for instance, about baby carriages? W.P.B. allotted six pounds of steel per carriage. "But what about twin carriages?" asked the manufacturers. "You can't make them," answered the Board.

Mothers of twins protested that, although a perambulator may be a convenience to others it is a necessity to them. One manufacturer offered to consider a twin carriage as equal to two singles in its metal quota, but the Board was adamant. Now more than

"LIFE LINES" start as PRODUCTION LINES

THOUSANDS of American production lines must pour their output continuously into our globe-circling supply lines. Every man, every machine must contribute to utmost capacity. Every lost motion, or wasted moment is dangerous.

Bullard Machine Tools, by the thousands—Vertical Turret Lathes and Mult-Au-Matics—are helping to get the sorely needed weapons, ammunition and vehicles to ports of debarkation on schedule. They are conserving vital man-hours on job after job; meeting increased production demands, and solving new shop problems by their speed, accuracy and versatility.

No less important, these same Bullard Machine Tools will be ready, when the day finally arrives, for immediate peacetime service. Their adaptability will enable owners to make drastic production changeovers in record time.

THE BULLARD COMPANY

Bridgeport

Connecticut



2,000,000 expectant mothers are hoping the stork will not bring them a war-time transportation problem.

War work

IT'S NICE to know that government officials, too, tell stories about red tape.

Ernest Kanzler, the War Production Board's director general of operations, tells the one about the W.P.B. representative who walked into the office of a Detroit manufacturer whose plant is sending out war materials at a terrific speed.

The business man sat at his desk snatching papers off a huge stack of mail, scratching his name on each without even a glance at the content, and tossing them into the outgoing basket.

"Good Lord," exclaimed the W.P.B. representative, "do you actually sign your mail at that speed, without even examining it?"

"Mail, hell," said the business man without breaking his pace. "These are affidavits."

"Free" as the air we breathe

MARION CLEWSON, an official of the Department of Agriculture, voices a humanitarian aspiration in the *New Republic*:

Why should not food some day be "free" in the United States in the same sense that schools are now "free"? Free food, however distributed, would not necessarily preclude sale of food any more than free public schools preclude private schools or than free public libraries preclude private ownership of books.

A few years ago Americans would have denied the validity of Mr. Clewson's analogy. But now, as he goes on to suggest, they are well conditioned for such syllogisms by food stamps, rationing, free school meals and lend-lease. Many of our citizens enjoy free or half-free rent, free medical service, free fertilizer, part-free electric power, etc. Of course, the catch is that nothing is ever free. Even freedom must be paid for. But there is political magic in the word.

Fashion note from the front

A FAVORITE topic of male badi-nage (and we freely confess our own addiction) is women's eternal preoccupation with clothes. But it takes a war to prove that, after all, men would not have the women less interested in fine raiment.

A young designer for women's clothes, back home in New York on furlough from the Army, has told what styles soldiers would like to see their women wear in war-time. If the girls want to please their soldiers they should dress in gay colors and feminine frills, he says. They are

advised to avoid anything reminiscent of khaki tones. No doughboy wants to see a woman dressed "like a map of the war." And no slacks, please.

Come to think of it, that's only restating the ancient law of contrast. Soldiers, and all the rest of us, are like the poet who wrote,

I love to mark sad faces in fair weather,
And hear a merry laugh amid the thunder.

Live and learn

ONE of the thousands of newcomers to Washington last month looked for two weeks for a house, or apartment, for his family. He followed up want-ads, registered at big apartments, listed himself with realtors, and begged his friends to "watch out" for him.

Then, an original—if somewhat ghoulish—thought occurred to him. He would check the death notices in the papers and call the homes, or apartments, of the newly-dead. Surely, some of their folks would plan to move. One Wednesday he clipped the death notices. Discreetly, he waited until Friday to call at the apartment house in which an elderly woman had died.

"I understand you have a vacancy," he said.

"No," said the manager.

Our hero lifted his eyebrows. Might as well come clean and catch the fellow, he thought.

"But you must have. . . I noticed where one of your tenants died. And she had no dependents living in Washington."

"Oh, you mean *that* apartment? Why, she expired at 9 p.m. and we began getting calls at 11 p.m. We had leased it by the next morning. You are away behind time on that one . . . must have been 15 people called yesterday."

City of the future

THE DISASTERS of Chicago and San Francisco were merely heralds of new sky lines. Now an architectural body is planning a new and bigger London to rise from the rubble left by German frightfulness.

London was rebuilt once before, after the great fire of Samuel Pepys' day. The reconstruction followed the old network of short, narrow streets, tenement districts, factories, etc. The new metropolis of Britain is to take the form of a number of separate self-contained units, with the former business and industrial districts broken up and divided among them.

This revolution in urban planning may be world-wide. Growth of community shopping centers and spread of factories into the suburbs seem to forecast large-scale decentralization in this country. Maybe the growth of



THIS nation has reason to be proud of the sailors who man our freighters and tankers. They are tough—yes, tough as cast iron pipe—an apt comparison. For cast iron pipe has been known for nearly three centuries as one of the toughest, most durable and longest-lived of all engineering materials. The *proved* useful life of cast iron pipe is at least double the *estimated* life of other pipe used for water, gas or sewer mains. Costly replacements that would be necessary with shorter-lived pipe are avoided by the use of cast iron pipe. It is the only ferrous metal pipe, practicable for underground mains which rust does not destroy.



Unretouched photograph of more-than-century-old cast iron pipe still in service in St. Louis, Mo.

Pipe bearing
this mark



is cast
iron pipe

Available in diameters from 1 1/4 to 84 inches.

CAST IRON PIPE

*No. 1
Tax Saver*

CAST IRON PIPE RESEARCH ASS'N, T. F. WOLFE, RESEARCH ENGINEER, PEOPLES GAS BLDG., CHICAGO

We are ready for additional WAR Work...



Months before Pearl Harbor, we were busy turning out armament machines which are now serving the guns of victory. The urgent need for this vital equipment was met in record time by the same machine tools and skilled craftsmen used for our normal production.

While this important work was underway, we were given the assignment of creating a machine that would load cartridges into clips. Starting from scratch—with just some clips and cartridges for experimenting—we designed and built a loading machine in only three months' time. Quantity production followed.

In addition to building armament machines, we are producing other equipment needed in the war effort. *And we can take on still more war work.*

Our Machine Shop and Assembly Facilities are at your service

We are interested not only in work which requires new designing, but also in work which has already been designed and which would involve the COMBINED OPERATIONS of our machine shop and assembly facilities—either as prime or sub-contractors.

Get in touch with us at once, describing in detail the type production you require.

PACKAGE MACHINERY COMPANY
SPRINGFIELD, MASSACHUSETTS

NEW YORK

CHICAGO

CLEVELAND

LOS ANGELES

the city has reached its point of diminishing returns.

Loose talk

THE EDITOR of a sensational sheet once told a reporter, who was carefully checking the facts of a story, that if he weren't careful he'd spoil a good story. A reporter friend of ours encountered a different kind of hazard the other day by carefully checking a rumor that the Office of Civilian Defense was training volunteer housewives to act as investigators for O.P.A. and help nail down Leon Henderson's billowing price ceilings. Our friend called O.C.D. to learn whether the rumor was correct.

"No," said the O.C.D. spokesman. "No, there hasn't been any of that. But it's a darned good idea. I'll see if we can't get something started on it."

Moral: Don't check a rumor. Step on it.

Every little bit helps

TAXPAYERS should have been prepared for it by the march of events and the speeches of Henry Wallace and Wendell Willkie. But the blood pressure of a friend of ours went up to a new high the other day when he read that a member of the British House of Lords had proposed international taxes to implement the Atlantic Charter.

We took another look at the Atlantic Charter and concluded that guaranteeing improved labor standards, economic advancement, and social security, along with freedom from fear and want for all men, is going to be a pretty expensive thing. We should accept any international help we can get in paying for it.

He has something there!

CHAMBER of Commerce Secretaries preach the need and value of cooperation among business men to meet common problems. They also practice it among themselves.

No secretary, if he can possibly get there, misses the Annual Meeting of the National Association of Commercial Organization Secretaries. There he can get expert advice, exchange ideas and experiences, develop plans and programs to make his town healthier, wealthier, and a better place to live.

Our Important Events Editor came back from the Detroit convention last month with this conclusion:

"This year there seemed to be two types of towns which have a lot of problems—those with war work, and those with no war work."

What price Leon?

"THE GOVERNMENT has spent \$100,000,000 on my education," Leon

Henderson recently told students of Hunter College.

Quick, Leon—a ceiling!

Slips, not so funny

IT GETS harder every day to find and keep an office secretary in Washington. They stay a few weeks—and then are snatched from under our very eyes by the Government. Not long ago a Washington business friend of ours had a girl who had title trouble. She never could get the names of government agencies straight—not that we blame her, because we can't either. The Social Security deduction from her pay check was "socialist security" to her, the first time she used it, and our friend looked up quickly to see if it was her idea of a joke. She left him to join the Board of Economic Warfare. She called it Economical Warfare, and still wasn't joking.

This month's cover

ON our cover page this issue we reproduce the Great Seal of the United States. The quotation is from Daniel Webster.

Quotable quotes

"SIN, which now expresses itself in an unlimited acquisitiveness for wealth, can just as easily express itself in grasping and manipulating the power in a collectivized society."—The Archbishop of Canterbury.

"PRIVATE control of the means of production, with the right to employ others at a wage in using those means, cannot be described as an essential liberty of the British people."—Sir William Beveridge, British socialist.

"(IT IS) the privilege and duty of the people of the United States to help these world neighbors (in South America and Asia) to improve their soil."—Henry Wallace in speech at Louisville.

"HAD the American press not gone to bat (in the scrap drive) I shudder to think what might have happened to armament production."—Charles R. Hook, president, American Rolling Mill Company.

Circulation note

BACK in 1930 NATION'S BUSINESS offered a sample copy to a selected list of subscription prospects. That was the last of such promotion efforts, since circulation is a trouble this magazine has none of. (Net paid, 374,638—advertisement.)

Early this month, what do we get but one of those 1930 postcards from a real estate firm in New York State.

We submit this as the act of a careful man who does not yield to impulse, one who weighs both pros and cons.



*The security of
a lamp's glow...*

THE lights of a war-torn world have been tragically going out. Only here in America do lamps gleam with the promise of a secure tomorrow.

And yet, every day many of us are faced with the possibility of a crippling financial loss through an unexpected automobile accident, a disastrous fire, an industrial mishap.

In carrying insurance, be sure you are fully safeguarded. The policy back of Hardware Mutuals policy makes your interest the first consideration. It means more than financial reimbursement—it's a way of doing business—for every policyholder it's vigilant protection that's solidly and dependably rooted in fair dealing.

For more than a quarter century, this policy back of the policy has also meant sound, conservative management—direct dealing with you through full-time representatives—careful selection of risks—and the return of resultant dividend savings to policyholders. These dividend savings have totaled more than \$76,000,000.00 to date.

Write for the free Hardware Mutuals booklet, "Reducing your Expenses," which provides you with full information. Licensed in every state. Offices in principal cities.

FEDERATED HARDWARE MUTUALS
Hardware Dealers Mutual Fire Insurance Company, Home Office, Stevens Point, Wisconsin
Mutual Implement and Hardware Insurance Company, Home Office, Owatonna, Minnesota
HARDWARE MUTUAL CASUALTY COMPANY
Home Office, Stevens Point, Wisconsin



Hardware Mutuals

Stevens Point, Wis. ★ Owatonna, Minn.

Compensation, Automobile and other lines of

CASUALTY AND FIRE INSURANCE

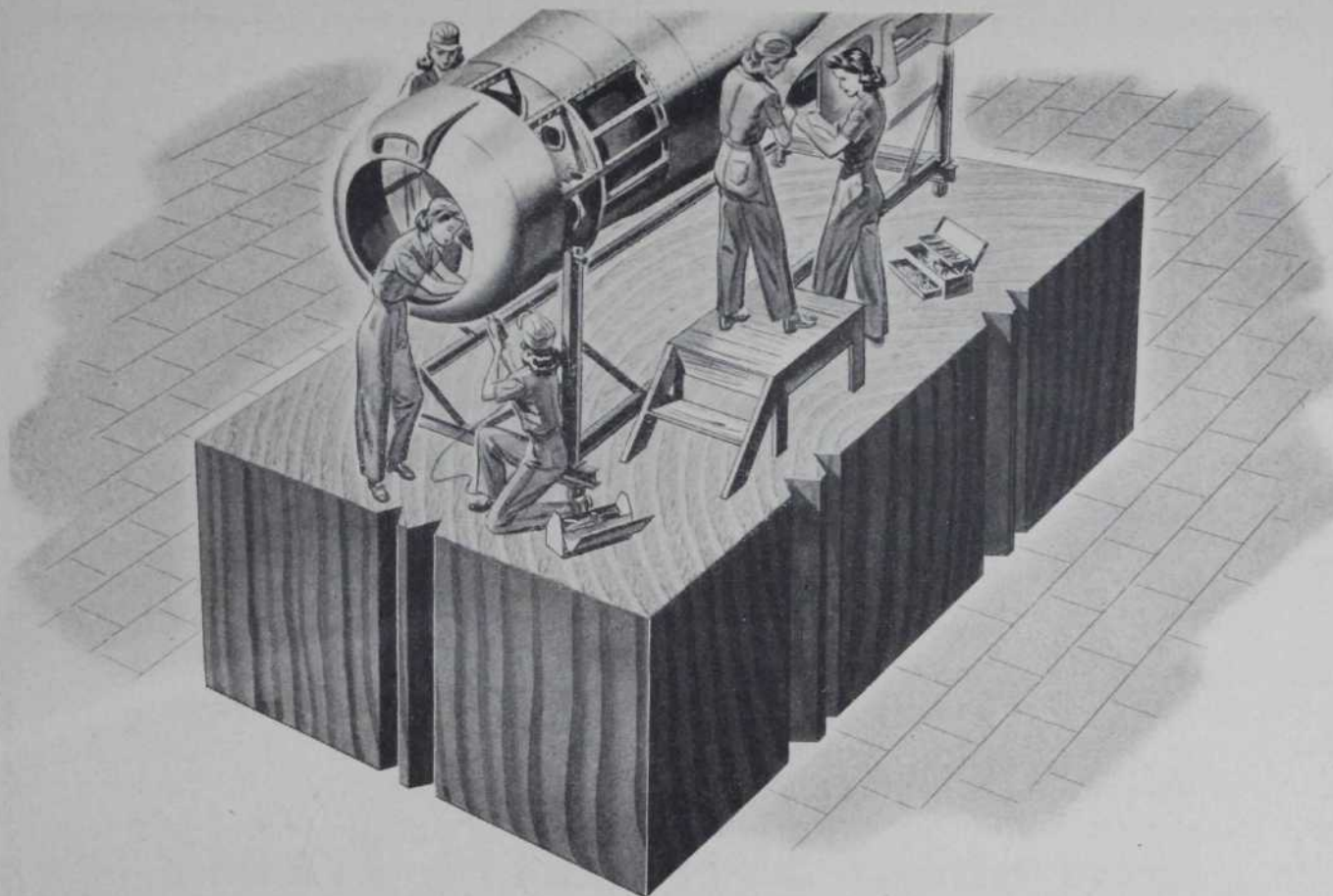


Hot Blast is the foundryman's name for equipment that preheats air for the cupola. It produces hotter iron and improves the metallic structure of castings . . . it permits more accurate control while saving coke and reducing spoilage. This improved foundry practice is speeding the output of better castings for engines, trucks, and other war materiel—equipment that will “put the heat” on the Axis.

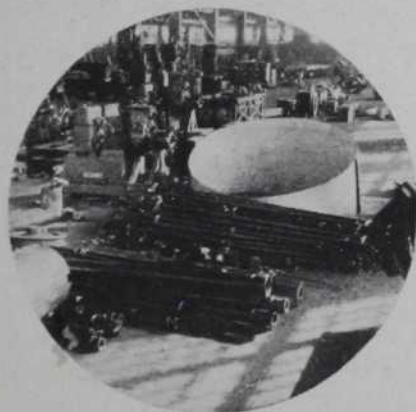
Hot Blast was introduced to American foundrymen as an enterprise of private industry. Many foundries are enjoying its benefits in reduced costs and improved product quality. Whiting is the leading supplier of Hot Blast equipment. Whiting Corporation, 15677 Lathrop Ave., Harvey, Illinois.

WHITING
CORPORATION

DESIGNERS AND BUILDERS OF TIME SAVING EQUIPMENT FOR
FOUNDRIES • METALWORKING, AIRCRAFT, AND CHEMICAL PLANTS • TRANSPORTATION SYSTEMS



Capable Hands Need Cushioned Feet



No KREOLITE Wood Block Floor has ever worn out. This veteran of heavy-duty industrial service is in the Granite City Steel Company, Granite City, Ill.

Since December 7th, more than a million American women have left their sewing needles and typewriters for places on the war production line. And in scores of these plants, old and new, comfortable KREOLITE Wood Block Floors are helping women fill men's shoes.

For the shock-absorbing "give" of selected sections of cross-cut Southern Pine makes KREOLITE Floors easier to stand or walk on and absorbs vibration from busy machines. KREOLITE Wood Block insulate against seasonal temperature extremes, cut down nerve-racking noise, and are dustless—important factors for the all-out efficiency of all-out war.

KREOLITE Wood Block Floors recommend themselves to the Board of Directors, too, with advantages such as unlimited durability, extremely low maintenance, and protection for dropped parts and tools.

Keep *both* employees and machines "at ease" for war production with KREOLITE Wood Block Floors.

THE JENNISON-WRIGHT CORPORATION

TOLEDO, OHIO • 23 Nation-Wide Offices

Specify

KREOLITE . . . Accept No Substitute

Comfortable To Work On • Dustless, Easy to Clean

Absorb Noise, Cut Vibration • Low Maintenance

Protect Dropped Tools and Parts

Durable, Spark-proof, Skid-proof, Safe

Firm Base for Machines • High Insulation

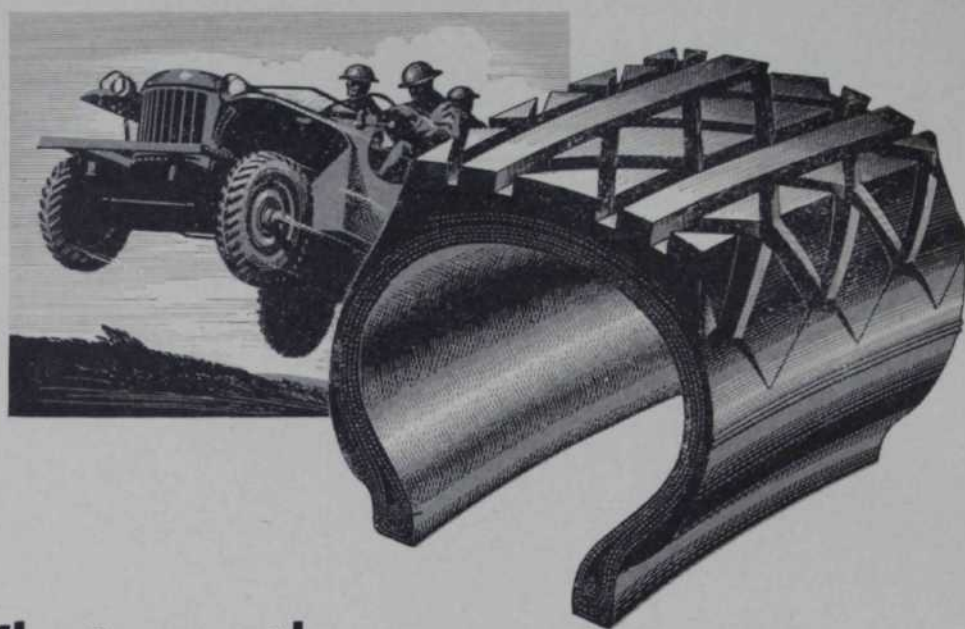
Quick to Install, Easy to Replace

KREOLITE WOOD BLOCK FLOORS



KREOLITE RAILROAD SWITCH & INDUSTRIAL TRACK TIES • PILING • BRIDGE & DOCK LUMBER

ONE OF A SERIES OF INFORMATIVE TALKS ON A CRITICAL MATERIAL



What are the facts about **SYNTHETIC TIRES?**

RIGHT now the most important fact of all is that you cannot buy tires made of synthetic rubber at any price.

That is because every ounce of Goodyear's synthetic Chemigum and similar materials that can be produced is needed for military purposes, and will be for a long time.

But after new plants now building as part of the government's program are in operation, and a surplus becomes available for civilian needs—in *perhaps another year or two*—you can count on this:

Passenger car tires built of Chemigum will give you, under normal driving conditions, slightly longer tread-wear than the best natural rubber tires you have known.

That was proved in road tests conducted back in 1940 when Goodyear had already been building Chemigum tires in limited quantity for more than two years.

But it does not hold true, as yet, in the case of large truck tires, because of the extreme heat (above 200° F.) generated in such tires by heavy overloads and sustained high speeds. At high temperatures Chemigum loses strength and toughness, reducing its serviceability.

It must be remembered, however, that heat failures were long the plague of natural rubber truck tires, until gradually eliminated by improvements in compounding. Similar advances can be expected in synthetic truck tires.

But above all, the fact to keep in mind is this: out of the experience Goodyear is now gaining in building synthetic tires and other rubber needs for the Army and

Navy, still better Chemigum products are already coming and at considerably lower cost.



THE GREATEST NAME IN RUBBER
GOOD YEAR

Chemigum—T.M. The Goodyear Tire & Rubber Company

As America Takes the Field

DECEMBER, 1942. One year of war.

We've come through—through 12 months of discouragement, defeats, divided counsels.

The way ahead is still dark and hard. But, while we may not yet have reached the beginning of the end, as Winston Churchill said, we have come to the end of the beginning. America is on the march at home and around the globe, in factories, on farms and fighting fields.

Any democracy going to war, as was noted on this page just a year ago, is an unlovely sight, with its wrenching, muddling, confusion. Democracy blunders and stumbles and falls, and picks itself up again. But, given the will to win—and what single American lacks it?—a democracy which finds its stride will out-fight, out-work, out-think the most efficient dictatorship devised by men. We are finding our stride.

The nation's industrial machine is "going great guns." That in itself is a tribute to the soundness of American business. As fellow editor Van Deventer, of the *Iron Age*, puts it, "American industry has been maligned, mauled, mishandled and mayhemed by politicians, reformers, labor leaders, left-wingers and mudslingers . . . in three places at once . . . in the frying pan, back of the eight ball, and in the dog house." Yet despite the bludgeonings of "reform" bureaucracy, and with head bloody but unbowed, it has performed a miracle.

It was General Somervell, chief of Services of Supply, who said that "when Hitler put his war on wheels, he ran it right down our alley!" The wheels of American industry are singing a high, clear, confident note—the wheels of aviation, of motor vehicles, of railroad trains and shipbuilding plants, of communications and power and light

and machine tools, of steel and aluminum, of mines and oil fields.

Take a single example, the automotive industry, as the index of the others. It is producing at a rate of 50 per cent above its previous peak output. It is employing 850,000 men and women, 100,000 more than the industry ever employed in peacetime. "Know-how" resourcefulness has utilized 85 per cent of machinery and car-making equipment for war uses.

In the commercial field, despite terrific dislocations due to lack of goods, to price ceilings, loss of personnel and a thousand new handicaps and hazards, business carries on, not as usual, but, somehow—cushioning the blow to the customer, whose state of mind adds up to national morale.

A myriad of new regulations and directives govern the daily life of the individual citizen—many of them unnecessary, to his way of thinking, many others complex as so much Greek to him—but the private in the home-front army shows unusual patience and patriotism, blood brother to the man in the combat zone. He is unaccustomed to the short, hard words of command. He has been bred and reared under free institutions. He has grumbled a bit. But he has responded magnificently to rationing, to filling out applications as long as his arm, some as big as a dictionary—and as disconnected in thought and purpose.

Nineteen forty-three will call for much greater sacrifice—and patience. The price of total war is high. But we can and will pay the price.

America is on the march!

Merce Thorne

A SITUATION THAT NEEDS AN ANSWER ... AND SOON!

America is entering a new phase of its war production . . . a phase presenting a problem that needs an answer *soon!*

The vast war plant construction program is nearly finished. This gigantic undertaking . . . the building and equipping of new factories at a cost approximating \$17,000,000,000 . . . has involved tremendous shipments and has put an unprecedented burden on the railroads. But as the Baruch Report states, "about 75 percent (of the program) is to be finished in January—and all of it about July 1, 1943."

So now we're starting the period of intensive production on the assembly lines, where Trucks and Trailers serve literally as conveyors. And with their share of the load thus increasing, there arises the question:

Where are the Trucks and Trailers to come from?

Here are just a few examples, typical of the nation-wide picture, showing the extent to which industry depends on motor transport:

- In 741 war plants in Michigan, 65 percent of incoming and 69 percent of outgoing freight shipments are by truck.

- One automotive prime contractor has extended his assembly line 125 miles to include the facilities of four subcontractors in three towns . . . and all shipments are by truck.

- A company making automatic cannon, comprising 127 parts, actually processes only 3 of those parts itself, and gets most of the others by motor transport.

- Another, producing anti-aircraft guns, depends on trucks

for most of the 180 different parts made by subcontractors.

- Airplane engine heads are trucked from Ohio to Connecticut . . . 600 miles in 22 hours.

Many motor transport hauls are short. Many are long . . . 500 to 1,000 miles or more. **In every instance, they are made by motor transport solely because it gives better service . . . usually because it makes delivery in one-half to one-third the time of other available methods.**

American railroads are proud . . . and justly so . . . of their war job. Near-miracles have been accomplished in their movement of goods and men. There has been no hint of a breakdown such as handicapped us during World War I.

But even here, motor transport must be given a share of the credit. For, besides handling innumerable specialized hauls that couldn't be handled efficiently, if at all, by any other method, Trucks and Trailers serve as the connecting link between industry and the railroads in a vast number of instances. In 1917-18, there was, of course, no great motor transport system to co-ordinate our industrial organization and give every factory, however small or isolated, quick access to materials and to rail facilities.

Another index of the railroads' reliance today on motor transport is the fact that they now own 80,000 trucks, an increase of 800 percent in the past ten years.

The railroads were allocated critical materials sufficient to put 56,000 new freight cars and 575 new locomotives into service during the first nine months of this year. But just what is the situation

regarding motor transport equipment?

Truck and Trailer deliveries were "frozen" last January. Production for non-military use was stopped June 30. The stockpile of Trucks and Trailers is insufficient for the duration, even if the war should end sooner than the most optimistic forecasts. Further, some of this stockpile will likely be taken for direct military use. Yet, the Trailer industry has had idle production capacity available for use all this time.

The necessity for "freezing" Truck and Trailer deliveries is questionable so far as motor transport operators are concerned. These carriers render a service as essential as the railroads—yet their vehicles use far less critical materials per ton-mile.

Rubber was and still is a scarce item, and the solution to this is to deny its individual use wherever it is being wastefully used. It must, as stated in the Baruch Report, be provided for our busses and essential trucks—for the vehicles which provide high-speed, mass movement of war freight and war workers.

Restricting these vehicles is like putting a governor on a factory machine and deliberately reducing its efficiency.

Let us remove all restrictive shackles hampering motor transport. Let us provide all the rubber and fuel and parts motor transport requires to do its job.

And, if America is to have vehicles for 1943, users of these vehicles must petition ODT and WPB now to permit their manufacture — while production facilities are still available.

FRUEHAUF TRAILER COMPANY ♦ DETROIT



Do we or do we not need additional compulsory manpower controls to solve the industrial manpower shortage?

Manpower Under a Microscope

By LARSTON D. FARRAR

WHILE the Government is considering compulsory manpower regulations, management and labor in Baltimore experiment with voluntary action

AMID a confusion of tongues reminiscent of the Tower of Babel days, the War Manpower Commission put into operation October 1 a plan designed (and perhaps destined) to answer war production Problem No. 1:

Do we or do we not need additional compulsory manpower controls to solve industrial manpower shortages?

The plan, known officially as the Baltimore War Manpower Experiment, was conceived last spring. It began officially July 23, when A. A. Liveright, special assistant to General Frank J. McSherry, director of operations of the W.M.C., stepped off the train in Baltimore determined to set up a system under existing law to solve some of the most pernicious problems ever

to hit a city. Just why Baltimore was chosen for the experiment is not stated but a more rigorous proving-ground for a test of this type would have been hard to find.

In 26 months—April, 1940 to June, 1942—employment in the Baltimore area increased by 117,000 persons, of whom 70,000 came from other areas. At the same time, it was estimated that, by July, 1943, expanding industries would require at least 56,000 new em-

ployees. The 1940 Census gave Baltimore City a population of 859,100, with 155,826 more living in Baltimore County outside the city limits. The influx of new workers had brought problems of housing, sanitation, schooling and policing. Literally thousands of skilled men who had come into the area to work could not find comfortable housing for their families. War plants, facing almost-impossible schedules, were accused of "pirating" one another's

labor, of "hoarding" labor, and of not fostering adequate personnel programs, yet they were finding that they had to hire as many as 16,000 persons to attain a net increase of 6,000 in personnel.

One war plant president estimated that 5,000 of his men were waiting for homes at one period. Another estimated that, of the men who were quitting his plant, 35 per cent left because of lack of housing. Another pointed out that "absenteeism" in his plant was running 18 per cent each day, with transportation being a big factor.

In July, 1942, some 26,000 women were working in Baltimore industrial plants. Although industrial male-workers were entering the armed services by the thousands, the number of women-workers were increasing only by the tens.

Out-of-city workers and haphazard "voluntary" transfer of workers from less-essential to vitally-essential work was crawling along.

Mr. Liveright's program had been worked out with all these (and other) factors in mind. He took with him no new authority, very little money.

His program had two principal purposes and the means by which these purposes would be attained, if possible, by voluntary efforts:

I. Full utilization of local labor supply

- (a) By the recruiting of women to work in war plants, as men have been recruited for the armed services.
- (b) A voluntary agreement designed to prevent labor piracy.

- (c) By reducing the amount of absenteeism among war-workers.
- (d) By urging skilled employees to work-to-the-limits insofar as this does not cause them undue fatigue and violates no city, state or federal law.
- (e) By a negotiated transfer of workers from less-essential industries into industries going full-blast on war materials.
- (f) By urging employers to simplify their operations, wherever and whenever possible, so that new workers can be trained easily and will not be liable to leave for any of a number of related reasons. Also, the maximum utilization of all plant labor by management.

II. The orderly importation of workers, when necessary

- (a) Only workers brought in by United States Employment Service to be hired by management.
- (b) No advertising or other promotion stunts in out-of-city media for skilled, semi-skilled, or unskilled help.

The W.M.C. expert did a little labor-pirating of his own at the beginning of his Baltimore experiment. He installed Walter Sondheim, manager of the Hochschild Kohn & Company Department Store, as director of the U.S.E.S. for Maryland. Next, he grabbed Grafton Lee Brown, director of public relations for the Maryland Unemployment Compensation Commission, to handle publicity on the experiment.

After many conferences, Mr. Liveright then appointed a Management-Labor War Manpower Advisory Com-

mittee, the first ever to function in this nation:

WALTER F. PERKINS, vice president, Bartlett-Hayward Division, Koppers Co.

HARRY F. VOLLMER, JR., vice president, The Glenn L. Martin Company.

STEWART J. CORT, general manager, The Bethlehem Steel Corporation.

JOHN T. MENZIES, president, The Crosse & Blackwell Company.

ALBERT ATALLAH, district director, United Steelworkers of America, C.I.O.

HARRY COHEN, president, Baltimore Federation of Labor, A.F. of L.

F. N. KERSHAW, business representative, Local 136, International Association of Machinists, A.F. of L.

LUCIAN KOCH, representative of the Independent Union of Maritime & Shipbuilding Workers of America, C.I.O.

This committee, adopting the W.M.C. program wholeheartedly, set out to obtain voluntary written manpower agreements, from labor and industry. By Oct. 1, 21 large, and 180 smaller war industries, representing 95 per cent of Baltimore plants, had signed up. The experiment began.

The agreements, once signed and publicized, become more or less mandatory. Under them, management pledges:

One: We agree not to employ any worker from another war production contractor unless a release has been obtained in line with the procedure outlined by the Management-Labor Committee.

Two: We agree wholeheartedly to the plan of maximum utilization of local labor supply and, therefore, will make every possible effort to utilize women, negroes, and other groups not ordi-

(Continued on page 80)



The company had to hire 16,000 workers to get a net increase of 6,000 for its plant

Foresight Can Win the Peace

By PAUL T. CHERINGTON



E. I. DUPONT DE NEMOURS & CO.

Will the young inventors throw themselves into research if ceilings make top wages too easily attained?

HIGH standards of living depend, not on dollars, but on things, a fact which those who urge post-war spending too frequently overlook



BERECH FROM LEWIS

A man with holes in his shoes and money in his pocket will still be barefoot if no shoes are to be had

THERE are those who believe that we can spend our way out of any economic difficulty. They recommended this remedy as a cure for the depression and they now contend that it did not work then merely because we did not do enough of it. In their opinion, post-war recovery can best be assured by a bigger dose out of the same bottle.

Others among us are convinced that post-war prosperity must depend on the creation of values (the only medium in which debts can be paid). Those values come from the application of human ingenuity to materials in such a fashion as to create material things which people want.

Whichever of these philosophies we adopt here are a few of the things sure to need doing within two years of the war's end, which will need to be prepared for even while the war is going on:

One: Nearest home are the tasks related to domestic recovery:

(a) Orderly suspension of more than \$50,000,000,000 worth of war production.

(b) Stepping up all kinds of civilian production from about a \$50,000,000,000 war level to more than \$100,000,000,000—fully a third more than pre-war high levels.

(c) Organizing markets for this production and delivering the goods to them.

(d) Taking care of the increased war-time labor force and the millions of discharged soldiers.

Two: In the financial field, we face two major tasks:

(a) The discovery of, say, \$20,000,000,000 of private capital to take over government-built war plants.

(b) Providing investment opportunities, here and abroad, for about twice the normal accumulation of savings. These are now estimated at more than \$20,000,000,000 compared with a pre-war normal of about \$10,000,000,000. These two problems may interact.

Three: The rebuilding of the not less than \$1,000,000,-
(Continued on page 78)

Japan's "Divine" Mission

By HELEN MEARS

SACRED SWORDS were as important as modern bombers as the Country's leaders prepared their people to defend themselves against "conquest"

ON NOVEMBER 1, 1935, the Japanese nation celebrated a special national holiday to honor their "Sacred Sword."

This Sword is supposed to be the identical one given by the Sun Goddess, in the Mythological Age, to her descendant-in-Japan to enable him to "conquer and maintain his Empire."

Preserved in a Shinto shrine, it is worshipped regularly as part of the ritual of Shinto—the national religion.

The 1935 celebration, however, was a special and extra-solemn occasion. It celebrated the removal of the Sword to a new shrine—a ceremony that had last taken place 43 years before when it had served as a symbolic preparation for the first Sino-Japanese War. The highest religious, military and government officials took part. The masses of the people, in public parks, in the courtyards of shrines and temples, or gathered around public radios, were told of the ceremonial in emotional nationalis-

tic speeches. This Japanese ritual received little attention in the American press.

We find it hard to take Japanese mythology very seriously. Nevertheless, the ceremony marked a definite step in the series of events that led to Pearl Harbor. To the Japanese people, it was a statement as definite and concrete as one of President Roosevelt's "Fireside Chats." It told them that stormy days were ahead; that their national crisis was deepening. It told them also that their all-powerful Sun Goddess, progenitress of their Divine Emperor, was eternally on guard and that, if they remained calm and steady, her Sword would make them invincible.

The spectacle of a twentieth-century nation preparing for war by waving an imaginary sword of a goddess is a curi-

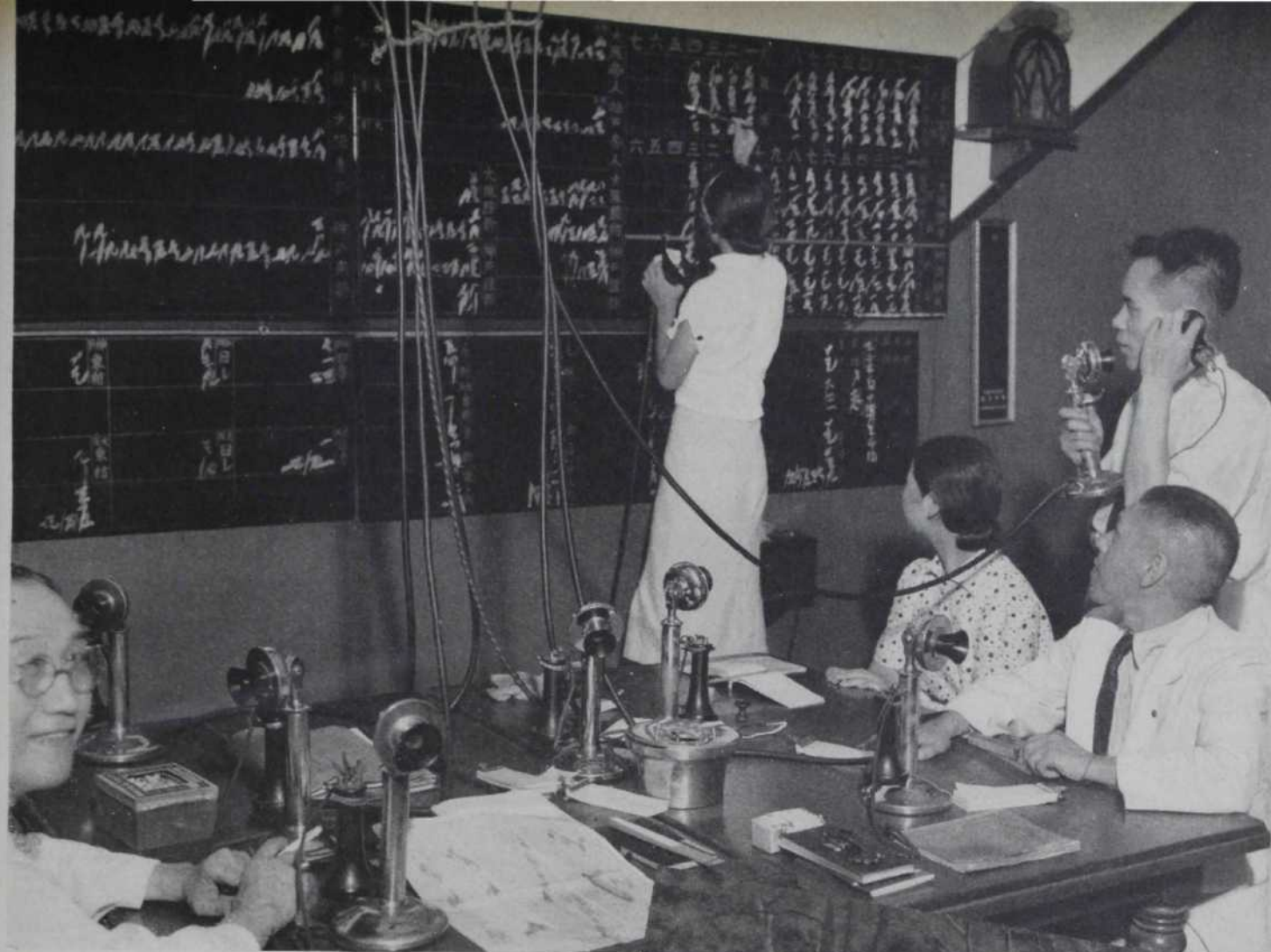
ous one. We tend to be more interested in Japanese Zeros than in their sacred swords. Yet the Zeros tell only one small part of the story of Japan, and this national holiday tells everything. The officials of the civil government in their top-hats and pin-striped trousers belong to a different age than that of the Shinto priests in their strange archaic dress, yet there they are together both honoring the same mythological-nationalistic symbol, while nearby a military guard of honor raises modern guns in salute.

This is a demonstration of national unity. It is an impressive statement that the various ruling cliques are united under the direction of a Divine Emperor. It is a symbol of the fusion of the new and old Japan into a tightly meshed machine that can use the me-

The Japanese masses respond to mythology and symbolism and their leaders use these things to arouse a mystic nationalism

EWING GALLOWAY





EWING GALLOWAY

So modern in many ways that a stock market is operated with interest and understanding . . .

Japanese still lay stepping stones in a crooked line so "devils cannot follow" as they walk

chanical power of the Twentieth Century along with the dynamic of an ancient mythology. The Japanese masses respond to mythology and symbolism, and their leaders deliberately use these things to arouse a mystic nationalism. They hypnotize themselves and the people by a constant ritual and incantation, by the assurance of Divine leadership and Divine protection by the magic Sword of their Goddess.

What the Japanese believe

THIS festival tells us that the Japanese are unified around a set of beliefs; and that they have been expecting war for some time. It is important for us to know what these beliefs are, because—whether or not they seem sensible to us—the vast majority of Japan's 80,000,000 holds to them fanatically. The Japanese people believe what they are told. Even if the picture of international affairs as their leaders present it to them is totally false they must believe it. They have never heard any other view.

In "modern" Japan all the western instru-



ments usually associated with democracy and the free exchange of facts and opinions have been used to mold a mass-mind on a national scale. Today, Japan is like a marvelous machine in which every part meshes with every other; in which every individual works a slow but steady pace contributing to national production and wealth; in which western machines are used by people whose minds are still in the Middle Ages. It is a society in which the head of the political State is also the head of a deeply-rooted nature-and-ancestor worship; a society in which a mystical love of nature has been vitalized by propaganda into a fanatic nationalism.

Japan came onto the international scene well after the machine-age had revolutionized production and war in the western world. The country started from scratch in the late Nineteenth Century—with no knowledge of modern science or machine technology, no army in the western sense, no navy, and extremely limited natural resources. Yet, in 50 years, the Japanese were seated at the Paris Conference as one of the Five Great Powers to decide the after-

math of the First World War. This feat is more astonishing because, when the Japanese were still primitive little-island people, the western powers were already entrenched in India, Burma, Malaya, the Dutch East Indies, and China. Logically some western power should have gobbled up Japan, and foreigners did, for a time, overflow the country to establish long-term leases, extraterritoriality, control of customs, shipping, and so on. It was on the cards for the Japanese to become colonials.

Japan is its own colony

WHY didn't they?

The answer is complex and must include the activities of certain western powers that backed an independent Japan for their own balance-of-power purposes. An important part of the answer, however, is that Japan did not become a colony of some western power because certain Japanese beat the western powers to it. Modern Japan has been a colony, and the masses of Japanese have been exploited as colonials—but by certain of their own people.

The Japanese leaders created the Great Power Japan by exploiting the docile labor and the political naiveté of their own people. The masses of Japanese—in temperament, customs, and stage of development—are much more like the natives of Java than like the Europeans or Chinese. They are frugal, unambitious, unenergetic, superstitious, fond of ritual, disciplined, easily led. They are nature-worshippers, and their exaggerated love for their picturesque islands can be turned into fanatic nationalism.

Modern Japan is the original totalitarian state. It combines modern machines and weapons of war with a way of life that can be sustained at a subsistence standard of living, and a social organization that regiments almost every aspect of daily life.

Japan differs, however, from the European totalitarian societies in that it is a "legitimate" system in the sense that its restraints were not imposed by law or police-action as a preparation for war. They were developed gradually, in pre-modern Japan, over a long period as a natural solution for certain

(Continued on page 72)



Telephone poles and "Ten Sens Stores" combine with medieval mythology to pose questions to which we will have to know the answers when we reach the peace table

EWING GALLOWAY

Blueprints for Feather Beds

By A. WYN WILLIAMS

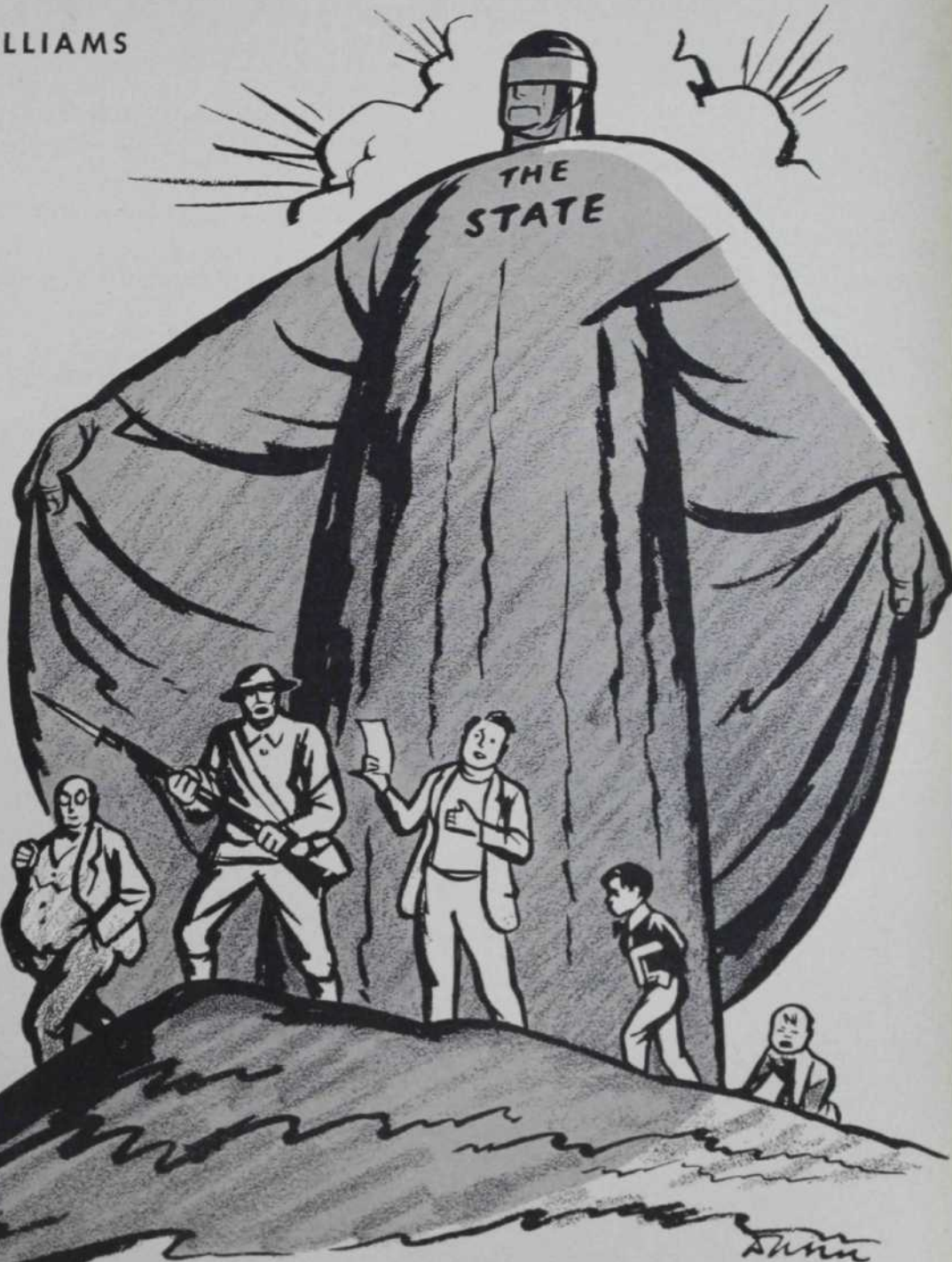
PLANNERS have designed a post-war world where government rules all acts

THERE'S a new design for living on the drawing boards of England envisioning a pie on every table and a government thumb in every pie.

Its blueprinters are the social minded Laski set, mostly a London professorial band, who see but little place for private control of economic enterprise, or even private ownership, in their new order.

The importance of these very advanced policies to the American people may be found in the fact that the United States has imported many of her social changes—government recognition and encouragement of labor unions, the dole, civil service, industrial controls—from England.

It lies also in the identity of the



From maternity allowances to death benefits, the planners are prepared to direct the individual from the cradle to the grave

planners and in Paragraph Five of the Atlantic Charter. That sentence in the document signed by Winston S. Churchill and President Roosevelt records their agreement that:

They desire to bring about the fullest collaboration between all nations in the economic field with the object of obtaining, for all, improved labor standards, economic advancement, and social security.

Mr. Churchill already had, on January 7, 1941, appointed a committee to peer into the future in search for these points and to design a pattern for achieving them. What they saw and the direction they suggest for reaching improved labor standards, economic advancement, and social security may be found in the words of the designers.

(Continued on page 60)

Once Through

The trick is to get the man who wants to quit to sit down, smoke a cigarette and unburden himself about what troubles him



EDWARD F. WALTON

ANGER blazing in his eyes, Whitey strode up to Charley Foley's desk in the personnel office at Henry J. Kaiser's pioneer shipbuilding yard on San Francisco Bay.

"How many guys do I have to see before I can quit this goddam job and get out of here?" he demanded.

"One," replied Foley. "I'll sign your quit slip. This isn't Germany, and nobody works for us who doesn't want to. But what's the beef?"

Whitey poured out his grievances. His foreman was a hot-headed so and so. They had words that morning.

"I said I'd quit," concluded Whitey. "He said like hell I would because I was fired. So all I want from you, Mister, is your name on this quit slip so I can get my money."

"You're a good man and you know it," said Foley. "So do we. We don't want to lose you. How about thinking things over before you quit? Take the rest of the day off. Come in here tomorrow morning. If you still want to quit, I'll sign your quit slip. If you don't, I'll send you anywhere you want to work—pick your own foreman and your favorite shift. Is that fair?"

"Sure it's fair," agreed Whitey, his belligerency evaporating.

As he strode out, Foley explained, "By tomorrow he'll calm down. Meantime I'll see his foreman. Before the day is up he'll be missing Whitey, and he'll calm down, too. If I can figure a way to save face for both of them, we'll have Whitey back on his old job, where the yard needs him most. He's a crack-erjack shipfitter."

They save hiring expense

THERE are 40 specialists like Charley Foley in the Kaiser shipyards who do nothing but listen to men who want to quit, then persuade them to go back to work. The month before the "exit interviewers" began functioning, the four Kaiser shipyards on San Francisco Bay hired 17,136 men; 10,059 men quit, many of them these same newly-hired hands. It costs \$100 to hire a man and start him on a job.

Now the interviewers persuade one-third of all the men who try to quit to stay on. Half stay, if you omit those who enlist or are drafted. Even this is not the full measure of the exit inter-

viewers' value. In the course of their work, they bring to light conditions which can be corrected to the general improvement of efficiency and morale, and by that means cut down the numbers who reach the quit desk at all.

At least one exit interviewer is on duty in each yard every hour of the day and night. Any time a workman wants to quit the foreman says, "Okay, you'll have to step over to the yard office and get your quit slip signed. Do it before you check in your tools."

This is a device to get the man into the exit interviewers' office before he goes through the yard gate. Once he's through the gate, he's gone. By that time he can't change his mind without losing face with the rest of the gang. The foreman's too busy building ships to find out what's wrong. The exit interviewer isn't too busy—it's his sole job.

Kaiser started shipbuilding with a handful of faithful employees; in less than two years, he had a motley army of 70,000 workers in the San Francisco area and almost as many more employees in the Portland area. Scarcely

the Gate, He's Gone

By JOHN PATRIC and FRANK J. TAYLOR

IT COSTS Kaiser shipyards \$100 to train a man.

So expert "exit interviewers" find out why when

one wants to quit the company's employ

one in 100 of these workers was an experienced shipbuilder. They were ex-clerks, ex-salesmen, ex-farmhands; anyone who would take a job. The work was hard, dirty, noisy. Houses were next to impossible to find. Thousands slept in tents, in shacks, in their cars, or in the open fields, and fought off homesickness and weariness. Some of the newcomers couldn't take it. They gave up and returned home. Others quit to find greener fields, higher wages in rival defense plants.

Finding the real trouble

THE Kaiser exit-interviewers have sympathetic ears and the knack of asking questions that make evasive or angry men talk. One of the best of them is a former crew coach. Several were high class salesmen. One was a credit man; one a banker; several were insurance men. Some were in personnel work. All of them have learned something about the 30 shipbuilding crafts. When a welder comes in they talk in welder's terms. If a painter wants to quit, they talk painting. The trick is to get the quitter to sit down, smoke a cigarette and unburden himself of his troubles—the real trouble.

Over at Yard Three, Jack Traber is interviewer on the day shift. A husky

18-year-old boy shuffles in with his quit slip in his hand.

Traber glances at the name on the sheet. "Come in and sit down. Why do you want to leave us, Pete?"

"It's costing me too much to work here, Mister," he says. "Two bucks and a half a day just for grub. I live in a room with three other guys over in Oakland. It takes an hour and a half to get to work. I'm going back in the hills where I can eat at home—family style—and it won't cost me nothing, and work in the box factory."

Traber knows the signs—the real trouble with the boy is he's homesick.

"Has the company been treating you all right?" he asks.

"I've been treated fine."

"Where did you learn welding, Pete?"

"Right here in the yards."

Traber goes to work:

"Pete, do you know what it cost to teach you welding and put you to work? You didn't pay a cent, of course, and you got paid while you were learning. But it cost the U.S.A. just a thousand of those little two-bit defense stamps the kids in your hometown are buying with their pennies."

Pete thinks it over. Finally he says, "I guess I ought to stick it out."

The next quitter is an uneducated

colored boy. "Nossuh, Boss, ah ain' been feelin' so exac'ly good. Doctuh? No, ah ain' seen no ductuh. De ya'd fo'man says ah gotta see you 'fore ah gits paid off."

"Joe, I'd like to send you over to our hospital. It's a swell place with X-ray machines and everything. I'll call the ambulance."

"Boss, ah don't want no hospital," says Joe, in alarm. "Ah just wants my time."

Saves face for workers

TRABER studies the boy's employment card, suddenly asks, "How much money have you got on you?"

The boy fishes in his pocket, pulls out exactly two cents. Traber laughs.

"I know what your trouble is. You're broke. You couldn't quite make it until your first payday. If you quit today, you'll have about \$50 coming, won't you? Isn't that it?"

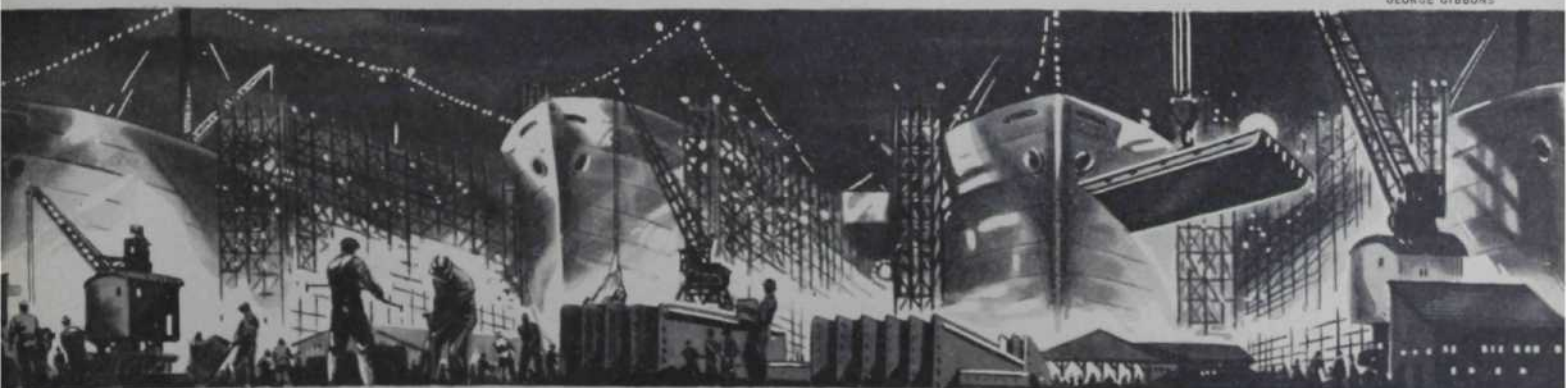
Joe wriggles in embarrassment. Traber fishes out two crumpled one dollar bills.

"Suppose I lend you two bucks until Thursday, Joe. Then I won't have to sign the quit slip and you'll still have your job. It will save us both a lot of trouble."

Joe grins. Traber grins back. It is a familiar comedy.

The next man to occupy the exit interviewer's seat is angry and upset. Instead of going to the point immediately, Traber chats a few minutes through the tobacco smoke until the fellow's face relaxes. Then the story comes out.

"We were horsin' around a little by the tool room. I thought I was slam-



GEORGE GIBBONS

ming the tool room door on Henry, but instead I slammed it on the boss. He cussed me out, see. I got mad and told him off. So he gave me this quit slip."

"Do you want to quit?"

"Hell, no. I want to help win the war, but not in this outfit, and not for that guy. I was in the army until I fell off a truck and busted my tailbone. If that job I had could have kept me busy, I wouldn't have been horsing around."

Traber thumbs through a sheaf of unfulfilled labor requisition orders freshly placed on his desk.

"We don't want to lose you, soldier. There are plenty of jobs to keep a man busy around here. Do you like painting? No? How about electric work?"

"Say, I'd like that," says the ex-soldier. "I used to tinker around with electricity back home."

Traber makes a phone call. Then turning to the soldier, "You've got a new job. Report tomorrow morning."

When the day shift ends, Ray Colvin takes over the desk. His first caller, one day, was a tall Texan with the word "flanger" on his tin hat.

"What's the trouble, Tex?" asked Colvin.

"I'm through. I brought my wife and kids out here in the old jalopy. We camped on the road in a little old tent. Mister, I'm making 12 bucks a day and the wife and kids are still living in that little tent. I can't even buy another tent; there aren't any for sale. Before the rain starts and my rubber's all gone, we're getting the hell out of here."

"Suppose I lend you \$2 until Thursday, Joe. Then I won't have to sign a quit slip and you'll still have your job. It will save us both a lot of trouble"

Patiently Colvin explained what the company was doing to provide housing for the workers: building new suburbs outside of Richmond; arranging for ferry boats to operate across the bay with a ten cent fare; remodeling stores into lodgings; turning a race track into a modern trailer camp; building a spur track to operate shipyard trains; underwriting bus lines; organizing a ride-to-work exchange to double up the number of men using each car; planning to set up a tire retreading shop in the yards.

Patriotism keeps some working

"YOU see, Tex, we're doing something about your problem," he concluded. "Stick it out for a couple of weeks no matter how tough it is. Tex, we need ships more than anything else. You are the kind of a fellow that can help us build them."

"Each fellow's reason is just a little bit different from the other fellow's," explained Colvin. "Sometimes it takes an awful lot of thoughtful and sympathetic conversation to get at a man's real reason for leaving us. He comes in here with a story he thinks will

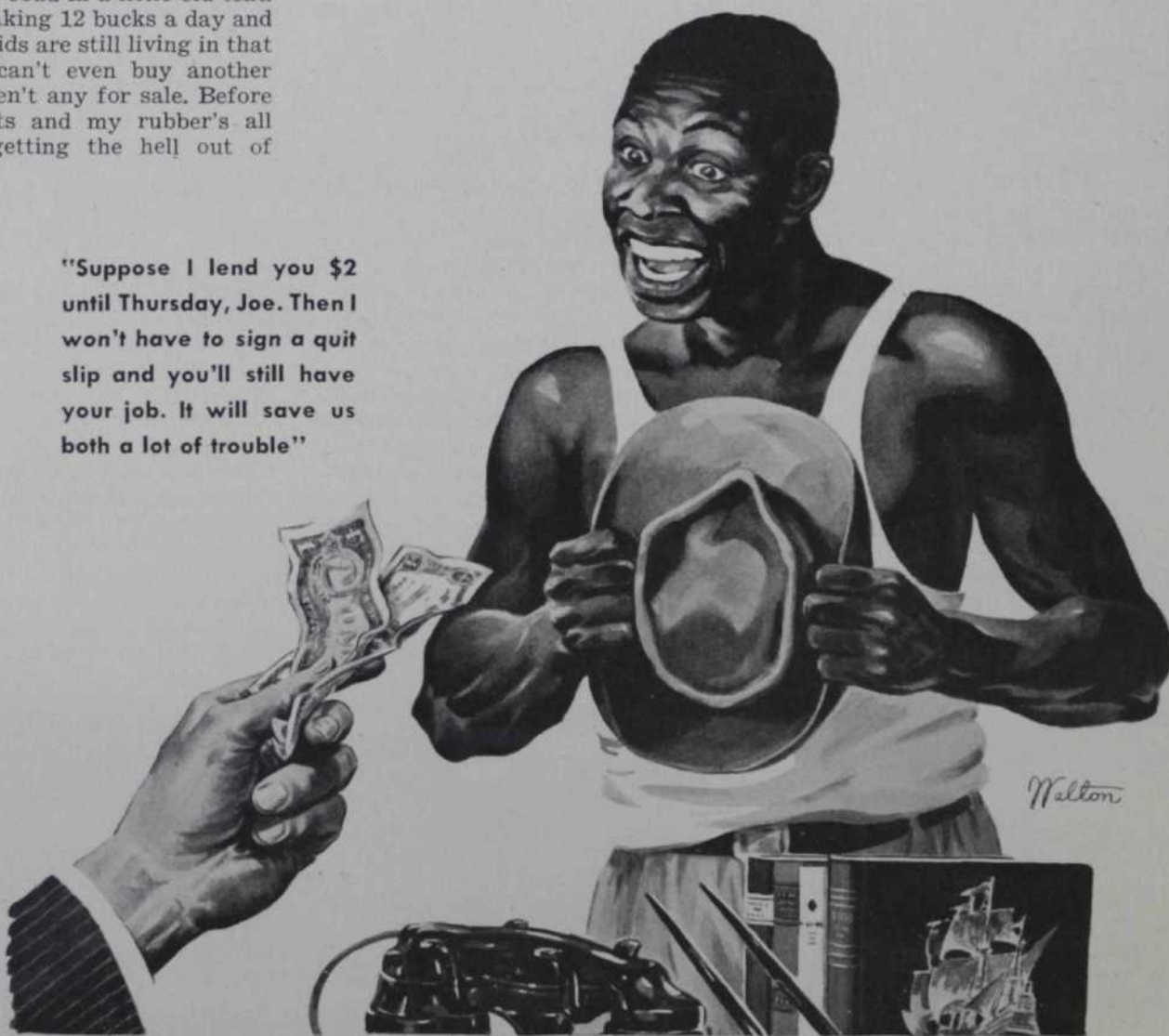
sound logical and water tight. You've got to let him get that off his chest before you can get at the real seat of the trouble."

The exit interviewers' records are a check on the way the foremen are treating their men. Bill O'Neil, a big superintendent, explained how this works.

"The men are always beefing against the foremen or the leadermen," he said. "I've got to depend on these foremen and leadermen to carry out the orders I get. So I can't listen to individual beefs. Every day or so I drop in to look over the exit interviewers' sheets and see what the score is. Then I can go down to the foreman and say, 'Mike, you had 31 quits this week and you sure put me on the spot in the yard office. Maybe you'd better drop in and ask Colvin why so many of your men are quitting.'"

"How long is it before these men you've saved are back in some exit interviewer's lap?" I asked Charley Foley.

He handed me a check-up he made on the first 425 would-be quitters salvaged at Yard Number One. All but 26 were still helping Henry Kaiser build ships.



The O. P. A. Lifts the Lid

By FRED V. LARSON

NEW percentage formula comes out of idea grab bag, but nobody knows what comes next—depends mainly on who draws the slips and why

SINCE May every person in the retail field, from the president of Macy's down to the corner grocer's delivery boy, has become familiar with such words as "ceiling price," "rollback," "sliding scales," "cost-of-living commodities," "necessary services," "inclusive costs."

Now a new phrase has been added to the nomenclature of war-time retailing: "Fixed percentage formula."

Embodied in two new O.P.A. edicts formally known as Maximum Price regulations Numbers 237 and 238, the new formula is at present applied experimentally to only 11 food groups. However,

It is slated to be expanded to cover many more food items, and eventually articles sold by every type of retailer.

If and when it is so extended

O.P.A. will have authority to tell every retailer how much he may mark-up any item in his stock.

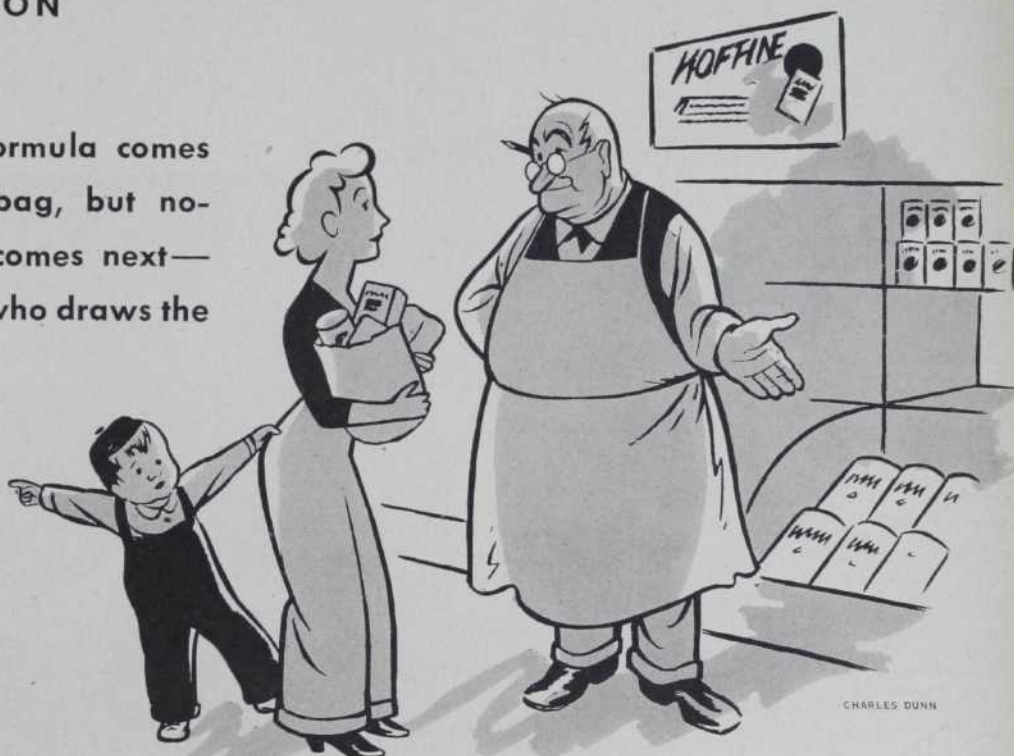
The new formula, announced on October 9 by Leon Henderson who, at the same time, appealed to all consumers to patronize only stores that proved they were abiding by the letter and spirit of all O.P.A. regulations set several *firsts*:

One: It is the first time in the food field in which a percentage mark-up has displaced the idea of a fixed price in the thinking of O.P.A. economists.

Two: It is the first time O.P.A. in any field has designed a mark-up percentage and made it mandatory.

Three: It is the first time that O.P.A. (or any government agency) has refused to consider actual costs of doing business in arriving at a pricing formula.

Briefly, the mechanics of the two regulations are virtually the same. They divide sellers of food into classes—three in the case of the wholesalers, five in the



"... merchants refuse to stock goods because the wholesale price is higher than their ceilings."

case of retailers. A different method of dividing was used in each case. Wholesalers were divided according to their methods of operations like this:

One: Retail-owned cooperatives.

Two: Cash-and-carry wholesalers.

Three: Service wholesalers, or those who deliver.

Mark-ups by dollar volume

RETAILERS were divided according to dollar volume.

One: Independent stores doing \$20,000 annually, or less.

Two: Independent stores doing between \$20,000 and \$50,000 annually.

Three: Independent stores doing between \$50,000 and \$250,000 annually.

Four: Chain groups doing less than \$250,000 annually.

Five: Chain groups or independents doing more than \$250,000 annually.

Each class is given a specified mark-up over net cost for each group of foods, with allowed mark-ups differing generally as to each class. So far the new pricing arrangement is mandatory only on lard and dried fruits (including prunes which are thus brought under price control for the first time). For the other nine food groups covered, the

dealer may use the new system or the March-fixed ceiling formerly used—whichever is higher. Wholesalers were given until Nov. 30 to make their adjustments. Retailers have until Dec. 31.

The results of the new technique, O.P.A. predicts, will be chiefly two:

One: Housewives will pay slightly higher prices—a cent or two for the most part—on affected foodstuffs in those stores which were squeezed severely under the March ceilings.

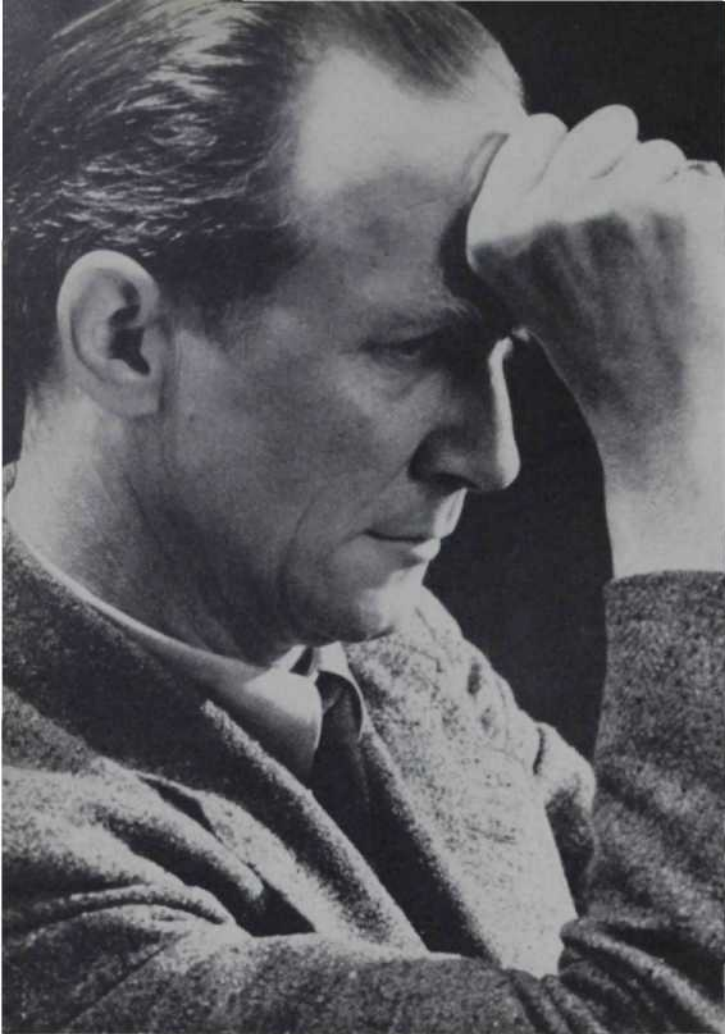
Two: Many foods that had been entirely missing will appear on the shelves.

The reasons for the change were three:

One: To adjust serious cases of maldistribution existing as a result of March ceilings in many stores. Example: O.P.A. says thousands of stores were refusing to stock certain items because the manufacturing price and wholesale price had advanced beyond, or near to, the ceiling prices on the items in the stores.

Two: To lighten the burden of paperwork and to simplify the report-making required of all retailers by O.P.A. It is obvious that the new ruling will accomplish this purpose, since the aver-

(Continued on page 64)



**Perplexed by shortages—
bewildered by regulations**

IN 1941, this country had 1,800,000 stores. By late 1943, Commerce Department officials say, it will have 1,500,000. The death rate will be about 200 out of every 1,000. The birth rate will be only 80 or thereabouts per 1,000. That's the Government story.

Some retailer association officials feel that this estimate is optimistic. Of course, the death rate will vary in different lines. Department store, men's furnishing, drug and restaurant men think their businesses are comparatively safe through 1943 at least. But hardware, tire, appliance, and—to a lesser extent—automobile dealers, fear that from 25 to 75 per cent of their membership will have to surrender to General Mars. The percentage depends upon how severely their supply lines are hit.

The greatest conflict of opinion is in the food line. Government experts say food stores will increase five per cent. Grocery experts say that casualties will be unbelievable unless corrective measures are taken at once.

It is difficult for some retailers to see any approaching washout because 1940, '41 and '42 have been record-making, profit-bearing years. Moreover, even government casualty predictions are not abnormal. Business mortality



**Merchants who are equipped to go into service and repair business
will find it a godsend in helping to hold their organization together**



**Providing a full lunch box for workers will help food distributors—
if they can get food and operate under price ceilings**

Face Grim Future

By R. L. VAN BOSKIRK

MERCHANTS, bedeviled by sinking profits and confusing government orders, put on their fighting togs to meet the threat of a knockout

is always heavy. The government estimate of 640,000 for 1942-43 is not much above many other periods. There were 575,000 in 1939-40, one of the most profitable spots in all retail history. There were 600,000 in 1932-33, low point of the depression.

Few new businesses

THE significant fact now is the low business birth rate. Men who might have replaced the casualties are now going into industry or the armed forces. Thus, when government officials talk about 300,000 fewer businesses in 1943, they are talking about actual shrinkage. For the most part this shrinkage will be increasingly rapid until the country has established a new economy—a war economy based on available supplies. England has been working to establish such an economy for three years and hasn't done it yet.

The business dimout will hit the little fellow hardest. Of 1,800,000 retailers, 1,400,000 do less than a \$20,000 volume each year. They make less than 23 per cent of all retail sales. An average small store of this type sells about \$60 worth of goods a day and employs one man. The operator's chance of staying in business is precarious at any time. Nearly one-quarter of all new enterprises close in their first year. One-fifth close the second year. Only 27 per cent live more than seven years. Among those discontinuing, nearly three-fourths have less than \$2,000 capital or no credit rating at all.

Such operators will have a tough time meeting the added costs of 1943

when the first-half volume sales are expected to drop from 12 to 25 per cent below 1942. Curtailing services doesn't help much because these stores never provided them to any extent. Increasing cost of electricity, rent, wrappings, cleaning materials, paint, delivery equipment and supplies adds to over-

head. And prices cannot go up as volume goes down. Price ceilings prevent that.

Moreover, the big fellows, hit by war-time economy, will reach down into the little fellows' territory for customers. The little fellow has no specialized buyers to comb the market. He

ELIZABETH R. HIGGS



Few customers can see the complications behind ceiling prices—few merchants can be sure that they are obeying complex regulations

lacks the training and experience to meet emergencies and is also on the small end of the horn when manufacturers distribute their curtailed product because it is cheaper for manufacturers to sell to big outlets.

This description admittedly oversimplifies the situation. In reality, it is as spotted as a Dalmatian dog. Big retailers certainly won't come through unscathed just because they are big. Retailers in war industry centers will fare better than those in quiet areas. Agricultural district retailers will still have farmer customers. Department stores will suffer less than those which depend on one or two lines of goods.

A further paradox is the fact that some small retailers and service groups that normally have heavy casualties may increase their number now. Most numerous small retail establishments are food stores, restaurants, taverns and amusement places. Indications are that the last named three will prosper, but it seems doubtful if food stores can withstand supply and ceiling troubles without heavy numerical losses.

Other small-capital retail groups which normally produce heavy casualties will grow increasingly anemic.

Filling stations and tire dealers are examples—decreasing volume simply will not pay overhead in many cases—but, collectively, they die hard. Between 3,000 and 4,000 new filling stations were born last July and August. Among tire dealers some 60,000 were independents. Other outlets, including manufacturers' stores, auto dealers and filling stations, have been estimated at from 80,000 to 200,000. Deaths in this group are expected to be numerous but no one can tell how many will remain in business to tend the Government's inspection, recap and retread program.

Avoiding a slow death

SOME estimators are figuring retail casualties in direct proportion to estimated loss of sales volume. Under this theory, the mortality would be something like this: Hardware, paint, plumbing, heating, electric, lumber, 40 per cent; farm implements, men's and boys' clothing, shoes, 30 per cent; dry goods, second hand, women's wear, variety stores, 20 per cent; drug, food, general and liquor stores, no change.

Experienced retailers refuse to accept this estimate. They say that a

merchant who pulls in his horns, cuts costs and digs in, can take a terrific beating. Certainly the automobile dealers did not roll over and play dead when car sales were slashed. If a hardware dealer's stock is cut 45 per cent he will be seriously hurt, but he can do more work himself, add new lines, perhaps increase his service business. People are going to need a lot of lawnmowers sharpened and tools repaired. A good hardware man can do that. He might even close his store two or three days a week as British butchers are doing, but he would still maintain his business.

Declining volume is not new to most merchants. In 1933, volume dropped almost 50 per cent from 1929, yet the decrease in operating units was only one per cent. Of course, in those days births offset the casualties but the point is that most retailers came through. Whether or not they can come through the new experience of a supply shortage is another story.

Irresponsible predictions that small retailers will be forced to the wall add to the complications. No wholesaler or banker is going to extend credit to even

(Continued on page 88)



HENLE FROM MONKMEYER

Small stores in outlying areas may profit from their customers' inability to get downtown, but they will be handicapped by inability to get supplies in same measure as larger competitors

THIS ISN'T NECESSARY



YOU CAN RENT COMPTOMETER EQUIPMENT!

- Poor chap! He got thirty days in the jug for abacus-snatching — when he could have *rented* a Comptometer adding-calculating machine!
- Even though you find it difficult (or impossible) to purchase new Comptometers, you may arrange to rent some machines through your local Comptometer Co. for short periods of time.
- See your local Comptometer Co. representative — ask him to explain this important and economical service. Or, if you prefer, write direct to Felt & Tarrant Mfg. Co., 1712 N. Paulina St., Chicago, Ill.

UNCOLLECTED SCRAP means UNDEFEATED AXIS!

C O M P T O M E T E R

REG. U. S. PAT. OFF.

ADDING-CALCULATING MACHINES AND METHODS



The Army asks for men. Selective Service provides them without comment GILES FROM BLACK STAR

Three Anonymous Men on a Board

By HERBERT COREY

OUR WAR effort rests on the Selective Service System. Without an army we could not fight. Without drafted men, we would have no army. Long ago all the nations abandoned the idea that enough men would volunteer to fight a war. The Selective Service System drafts the men. If too many men were drafted, industry and agriculture would be injured. The fighting men would lack arms. The country would go short of food. The Army asks for the men it needs in relation to the world strategy. The Selective Service System provides them without comment.

It is not the business of Selective Service to tell the Army that so many men cannot be spared.

It is the business of Selective Service to pick the men. If a man is nutty or an invalid or morally unfit to mix with decent folk he is refused. The four classes of men the System considers will be discussed later. If a man's family might suffer undue hardships, he may be deferred for six months. "Undue" means precisely that to the System. If the wife

WITH NO contact with Washington except an occasional directive, local draft boards have handled millions of men and their problems. Their job is to supply the men for an army. Here's how they do it

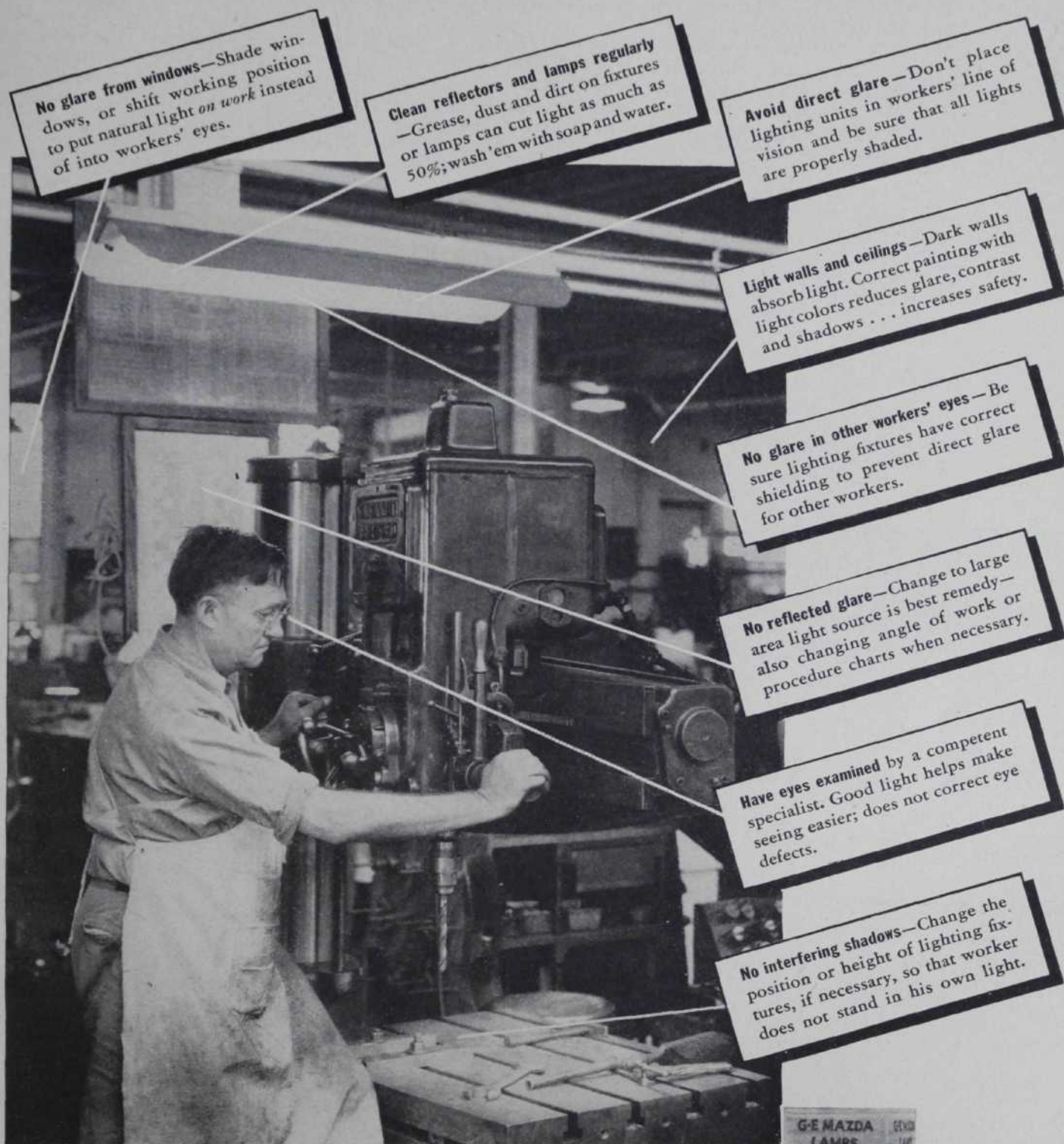
or mother can get by, the hardship is not undue. Deferment does not mean that the man is out of the draft forever. After six months he must appear again before the local board and prove that the hardships are still undue, or that he is still sick, or that an essential industry might be handicapped if he went to war. Farming, for instance, is an important industry. Some states have deferred more farmers than men from other industries because a man who knows how to run a farm is essential in the eyes of the boards of that state.

At this point this article begins.

The Selective Service System is the basis of the war effort.

NATION'S BUSINESS for December, 1942

8 wartime lighting suggestions



Bothered about night production? Need help on critical seeing jobs, like inspection? Want to make the most of present lighting equipment? If you run a war plant, just call the nearest lamp office of General Electric

and we will place a trained wartime lighting counsellor at your service, without charge. Or call your local electric service company or G-E MAZDA lamp supplier for helpful advice.

G-E MAZDA LAMPS
GENERAL  ELECTRIC



But the System stands on the shoulders of anonymous men—the members of the 6,500 local boards which select the men to go into the Army. If they did not function properly, the System would blow up. If they were surly, overly officious, unfair or did not know their business, the street corner talk would soon be heard in Washington. There is no guarantee that Washington would do anything about it until a great many street corners had been heard from. Nor does this certify that all of the boards are entitled to the "E" pennant.

The Selective Service System is perhaps the only decentralized organization that functions from Washington. Perhaps in consequence it has had less grief. It has been called on to handle millions of men and their problems. Heartbreak and business ruin come to some of these men, their wives, children and creditors. Others want to go to war so completely that they resent being kept at home to run a lathe or milk eight cows of a frosty morning. The manager of a chain store recently got his orders to join up.

"After dealing with sugar, bacon, canned goods and women," said he, "anything the Army gives me will seem like a rest."

No pay for members

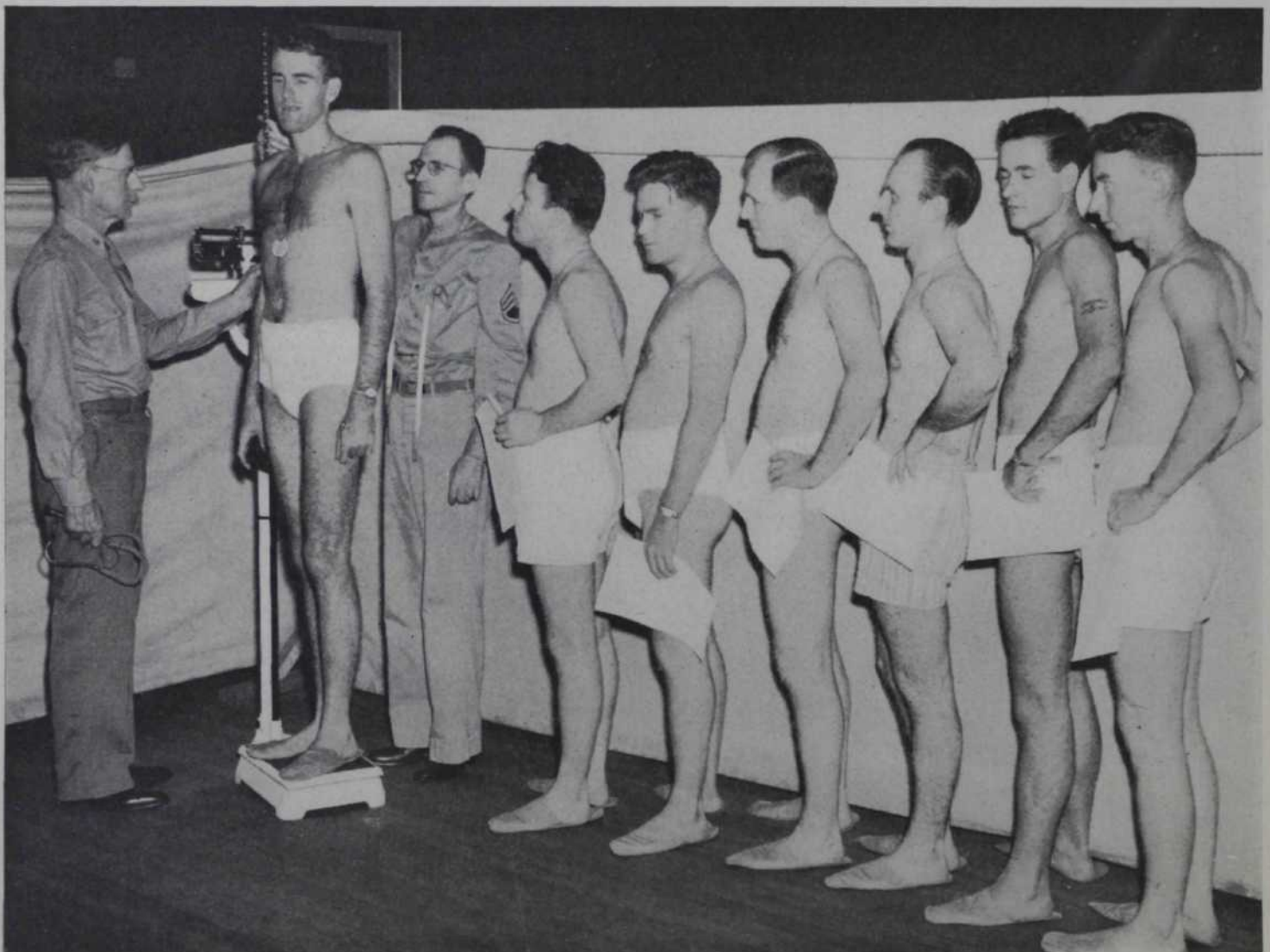
MULTIPLY 6,500 local boards by three men each, by 40,000,000 possibles for the Army, by their mothers and wives, and you get an idea of the troubles Selective Service might have had if the board members had not been efficient and, on the whole, kindly. Nothing else in Washington has spread out so thin and so well. The board members get no pay or expense money. The only government cash they handle is a rent allowance for an office and the secretarial work involved.

Every other Washington activity has spread into employees and salaries like fire in dry grass. As this is written Congress is wrestling with the earnest desire of Paul V. McNutt's War Manpower Board to set up regional offices, state offices, county and city offices, each with a varying number of direc-

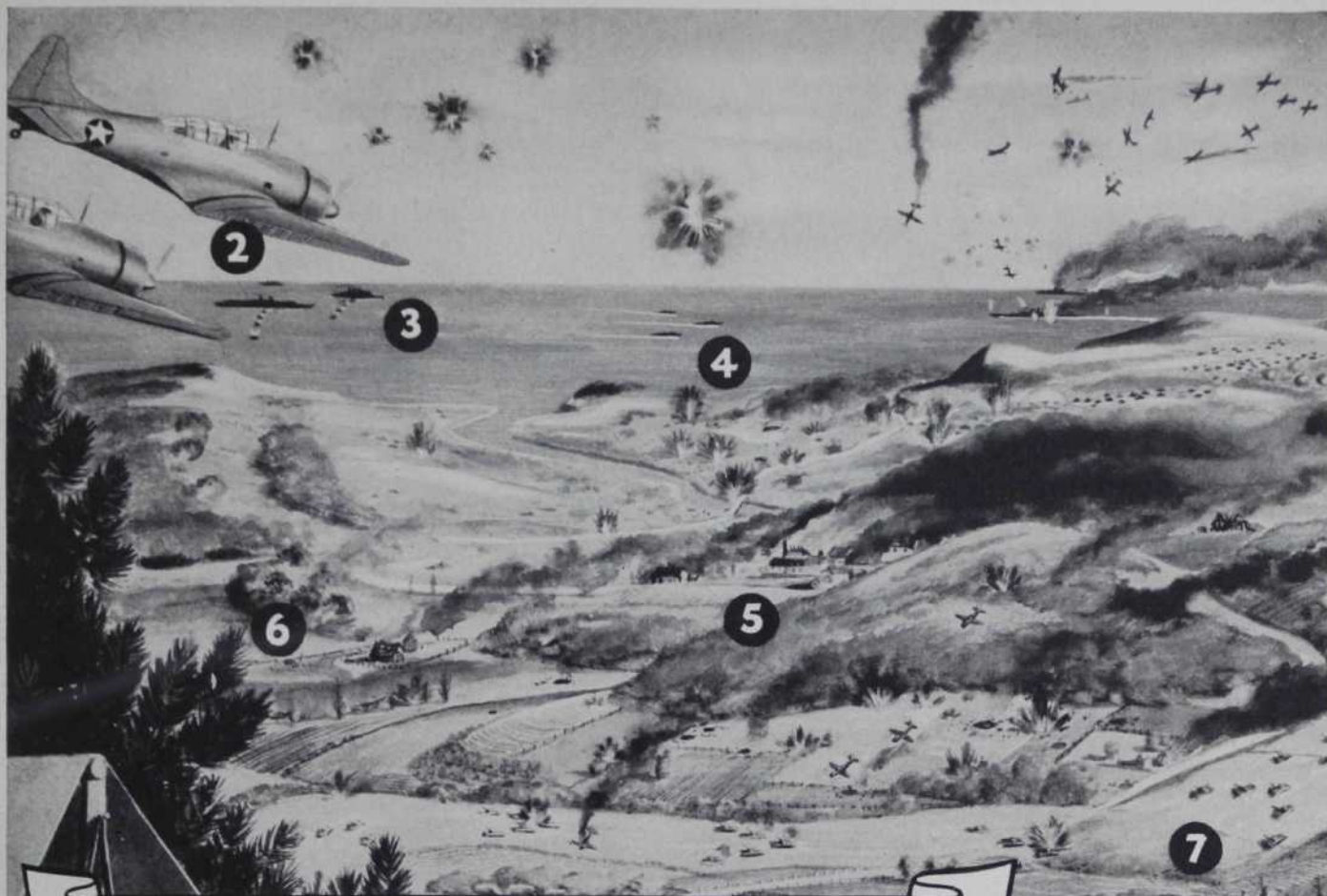
tors, supervisors, secretaries, messengers and clerks. No reflection on Mr. McNutt is intended. That is merely the Washington way.

Mr. McNutt's Manpower Commission has some vague advisory relation to the Selective Service System. He can advise. He can even direct. The Selective Service System may, if it wishes, take up the study of baritone whistling and obey no orders that the Manpower board gives. But, if the young men who are panting for jobs in those regional McNutt offices think that those jobs will insulate them against war and its horrid alarms, they will learn—on the authority of a Selective Service man who knows what he is talking about—that they are wrong. Some time ago Brig. Gen. Lewis B. Hershey, director of the Selective Service, learned that a large number of sound men were sheltering in Government offices on the theory that the offices simply could not get along without them. Hershey said—in more refined and cultured tones than are here being employed:

(Continued on page 84)



The Vice President's son takes his physical. The rules are very definite. If the examining physician sees fit, "he may be required to do calisthenics"



COMMUNICATIONS

...directing arm of combat

This battle drawing was prepared with the aid of Army and Navy authorities.

IN modern battle, our fighting units may be many miles apart. Yet every unit, every movement, is closely knit into the whole scheme of combat—through communications.

Today much of this equipment is made by Western Electric, for 60 years manufacturer for the Bell System.

Here are some examples of communications in action.

1 Field H. Q. guides the action through field telephones, teletypewriters, switchboards, wire, cable, radio. Back of it is G. H. Q., directing the larger strategy... also through electrical communications. The Signal Corps supplies and maintains all of this equipment.

2 Air commander radios his squadron to bomb enemy beyond river.

3 On these transports, the command rings out over battle announcing system, "Away landing force!"

4 Swift PT boats get orders flashed

by radio to torpedo enemy cruiser.

5 From observation post goes the telephone message to artillery, "Last of enemy tanks about to withdraw across bridge..."

6 Artillery officer telephones in reply, "Battery will lay a 5 minute concentration on bridge."

7 Tanks, followed by troops in personnel carriers, speed toward right on a wide end-run to flank the enemy. They get their orders and keep in contact—by radio.



Western Electric
ARSENAL OF COMMUNICATIONS



No Snoops Stop Scoops

By A. H. SYPHER

VOLUNTARY censorship without legal threats seems to be working better than rationing laws that carry \$10,000 fines

WHEN President Roosevelt made his autumn secret swing around the Nation only two newspapers among the 13,500 being published in the course of his travels mentioned the trip.

The others demonstrated the American capacity for voluntary cooperation in war-time.

They knew about the story. It was a great and colorful news event, and news is the commodity they sell in a business where competition is as fierce as that of any business.

Against their editorial training and instinct, they kept the secret. Against their normal business judgment, they muffled the biggest news story in their hands.

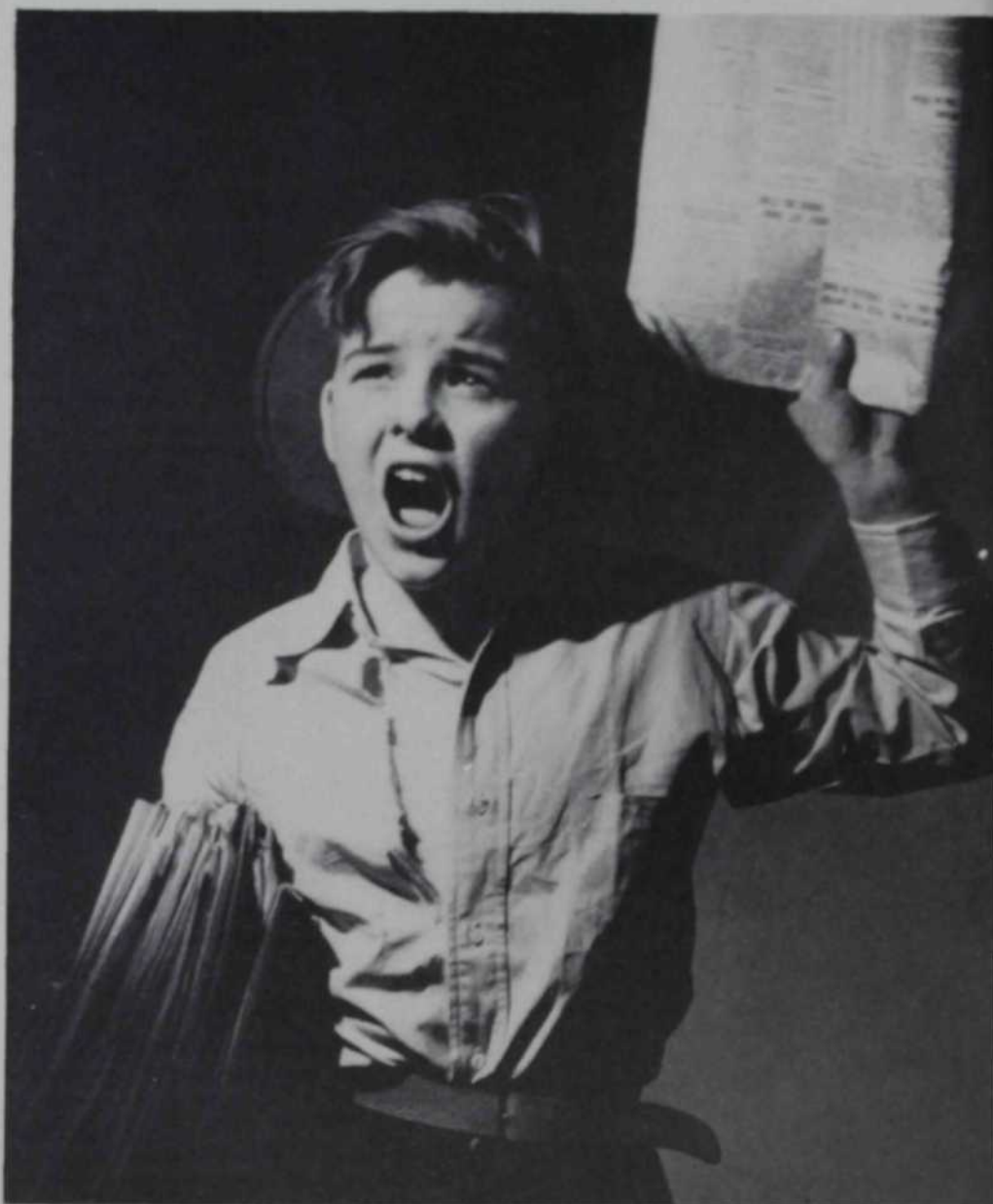
Neither jail nor fine faced any editor who chose to spread word of the President's trip across his front page. No law said he could not do it. Newspapers had received no order to remain silent. They had received a request.

Yet only two cracked the secrecy.

Both were country papers of slight circulation. The others played such swell ball the blackout was nationally effective, and very nearly complete. Some newspapers were editorially bitter about the announcement delay, but they played ball when it counted.

It is doubtful that a compulsory censorship law would have brought any greater success, because both violations resulted from heedlessness or ignorance, and probably would have occurred under a law.

One of the violators was a country paper in Illinois. It published a news reference to the President's travels. The other was a small town paper in Michigan—a case in which an advertiser who writes his own ads on a piece of wrapping paper referred to the trip and the editor printed the ad without reading it.



Newspapers and magazines have well-nigh unanimously cooperated in withholding certain news. It is a matter of patriotism, not imprisonment

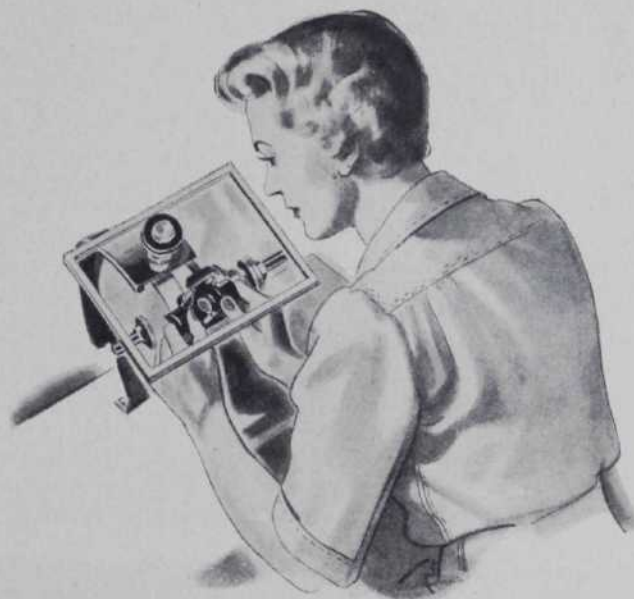
A third break occurred, but the violator was not a newspaper. A union journal in Seattle in black and demanding type asked the President to consider wage negotiations as he visited an airplane plant. Most of the issue was recovered from circulation, and held up until release of the news of the trip nationally, and the union officially took up the matter of checking the editor.

The rest of the nation's press abided

by self-imposed voluntary emergency regulation outlined in the Censorship Code, a document written by men in their own trade after consultation with fellow newsmen. Under it the success of the Office of Censorship has contrasted sharply with the experience of other war-time regulatory agencies. Contrasting just as sharply are its background, methods and policies.

Compliance is without legal obliga-

HOW TO SPEED PRODUCTION WITH

SAFETY
GLASS

For years you've enjoyed the greater protection of Safety Glass in your automobile. Now, there are many ways you can put this same glass to work in your factory to help speed production for victory.

In scores of plants today, you'll find machine tools equipped with eye shields made of Safety Glass. Workers are not only given added protection from flying particles, but also unrestricted vision for precision jobs. Operators feel a greater sense of security, they see better, their jobs go faster.

The same advantages resulting from better vision and greater protection result when windows of crane cabs and steel mill pulpits are glazed with Safety Glass. In foremen's quarters, on factory doors—wherever both vision and greater safety must be considered—you'll find a practical and profitable use for Safety Glass.

Safety Glass is only one of many Libbey-Owens-Ford products which are of vital interest to industry in these critical days. In addition to its many applications in equipment required by the armed forces, glass is occupying an increasingly important place in the thinking of manu-

facturers who are seeking a replacement for priority-scarce materials for use in their products.

Just Consider These Facts About Glass

It has many qualities not found in combination in any other material. It can be furnished, thanks to new techniques perfected by Libbey-Owens-Ford, in bent shapes never before thought possible. It can be made transparent, translucent or opaque. It can be polished or coated. Its surfaces are enduring and acid-resisting. It is an electrical insulator. It can be made strong, highly resistant to impact and to thermal shock. It can be color-clear, or color-full. And it has a wide range of other physical and chemical properties that fit it for use for many special purposes.

Quite likely in the complete line of Libbey-Owens-Ford products you will find a type of glass that will meet your production requirements. And next time you walk through your plant make a mental note of the places where you can profit by the added protection of Libbey-Owens-Ford Safety Glass. Write Libbey-Owens-Ford Glass Company, 1397 Nicholas Building, Toledo, Ohio.

**LIBBEY • OWENS • FORD**QUALITY *Flat Glass* PRODUCTS

tion. No government investigators roam the country seeking evidence against those being regulated. No punishment chart such as the threatening words . . . "may be punished by as much as TEN YEARS IMPRISONMENT OR \$10,000 FINE, OR BOTH . . ." that appear in even a gas rationing book, face an editor as he goes about his daily work.

Governed by public opinion

HE HAS only one thing to watch, one powerful retaliation he must keep in mind: Public Opinion.

The effectiveness of the method is demonstrated by its success.

The Censorship Code's purpose is to place normal war-time restrictions on information circulating in this country, including information that might jeopardize the physical well-being of the President.

It recognizes the existence of enemy agents in this country who would try desperately to send abroad information that would impede our prosecution of the war.

It was written by Byron Price, ex-

ecutive editor of the Associated Press, on leave at President Roosevelt's request to direct the Office of Censorship, and by John H. Sorrells, executive editor of the Scripps-Howard newspapers, chosen by Mr. Price as his assistant.

Working in the hectic days immediately after Pearl Harbor, this pair conferred with officials in the Army, the Navy, the War Production Board and all other war agencies, listening to requests and demands for news bans, and to the reasons supporting them.

After that they spent several days with an editorial advisory board weighted heavily with active editors, discussing war-time restriction proposals and seeking a common ground where demand and compliance could meet.

They put their findings into the code and sent 60,000 copies of it to the press, along with a hope that the trade would recognize it as an instrument much of their own making and observe it rather than take a chance on what might come if it failed.

Six months later it was revised to cover situations that had not been foreseen, and redistributed.

At the start, energetic N. R. Howard

was called to Washington from the editorship of the Cleveland News and, as the new agency flowed into its present organizational outline, he was given charge of the domestic press section.

In achieving its outstanding success, the press section has become distinctive for what it has not done, as well as for its accomplishments.

It has not, for example, ever issued an order or a directive.

It has not hired a press agent.

It has not established a network of branch or district offices.

It has not acquired a large staff.

It has not requested a tremendous budget.

Ten men, every one of them a practical, working newspaperman, carry on the work of press censorship. There is not a theorist, not a world-saver, among them.

They have a total of nine stenographers and secretaries, and their budget for the year is \$140,000.

Under the jurisdiction of these ten men are 2,500 daily newspapers, 11,000 weekly newspapers, more than 1,000 periodicals, more than 2,000 trade, scientific and professional publications, 13,000 house organs published by industries, and about 100 advertising agencies that clear their copy through the censorship office.

Checking printed matter

THESE same ten men also read books that touch on any part of the war or the production program, almanacs, even corporation reports of war industries to screen out information that might be valuable to the enemy.

Each day they read 112 newspapers and comb through newspaper stories and magazine articles submitted for clearance.

Nearly half their work is pre-publication censorship, but it is done only at the request of writers or editors who want assurance that they are clear of code restrictions. One writer who submitted a magazine article on shipping in the South American trade sent it to censorship from where he wrote it—in the Kansas State Prison. It was cleared.

Their greatest problem, the censors find, is country town and rural papers. The problem is to reach them, remind them of code restrictions and give them complete understanding of the problem.

Some slip up on the ban against disclosing the location of military forces, a ban as important as any in the code. When Johnny Jones comes home on furlough he is interviewed, and the interview may start out: "Johnny Jones of the 145th Tank Corps came home on furlough from Australia yesterday."

Somehow, some editors were a long time learning that an interview like
(Continued on page 58)



HAROLD M. LAMBERT

Some editors were a long time learning that interviews with boys on furlough might reveal important information—organization identities among them



U.S. TRAVEL 1942 STYLE

IN the months since Pearl Harbor the railroads of the United States have carried three times as many soldiers as in the same months of the last war.

Of the 6,800 Pullman sleeping cars and 17,500 passenger coaches on the railroads today, a great part are assigned to military movements—and the armed forces have first call on all the rest.

Besides troop movements, there are those who must travel on essential war busi-

ness. There are service men on furlough. There is the shortage of tires and the rationing of gasoline — all adding to the demand for space on the trains.

That demand must be met with the cars we have—other war needs make it impossible to get any more.

DON'T WASTE TRANSPORTATION. *Plan early*—Make reservations and buy tickets as far in advance as possible. *Avoid week ends*—Do your traveling in the middle of the week whenever possible. *Travel light*—Limit your hand baggage to actual requirements. Other baggage can be checked. *Plans changed?*—Cancel your reservation promptly if your trip is deferred or called off. It will help the other fellow.

So please help the other fellow who *must* travel—and help yourself — and help us to get the best use out of what we have.



ASSOCIATION OF

AMERICAN



RAILROADS

WASHINGTON, D. C.



We Tour THE Home Front



B. F. Goodrich Co. has given U. S. Government thousands of seeds and budwood from selected Hevea, disease-resistant, rubber trees growing in the company's Santo Domingo experimental nursery which was started in 1931 ★ *Aetna Life Affiliated Companies* are circulating a new motion picture, "Handle With Care", to show the dangers of hasty and improper first aid treatment ★ *General Electric* shipped the first two of fifteen 1,500-hp motors for the new pipe line between Longview and Norris City, Ill., five weeks ahead of schedule ★ *Westinghouse* has just completed two 257-ton transformers to handle power for an aluminum plant. Each is as big as a six-room house and required six freight cars to move—took five months to build. New type core steel used in construction saved 40 tons of steel, four tons of copper, 6,000 gallons of oil.

When Rear Admiral Watts presented Army-Navy award to Ashton plant of *Owens-Corning* glass he pointed out that most of employees there were women and that they must prepare for years of war work. Ashton plant makes glass fiber tapes, braids and cloths ★ *Independent Pneumatic Tool Company*, Aurora, Ill., manufacturer of Thor pneumatic tools, was honored by the entire city when it received Army-Navy award. Noonday services were held in 40 churches, schools closed, store clerks sold war bonds, recruiting booths were operated all along the street ★ *The Austin Company* has just finished a change house for a Cleveland-Cliffs operated iron mine to accommodate 1,000 men, that provides unusual conveniences in mining industry. Salt-glazed tile on walls and glass block instead of windows permits wall washing with high-pressure hose. Temperature and ventilation is automatically controlled.

When W.P.B. Caravan trucks invaded New England, subcontractors for 19 per cent of the 1,500 items displayed were found ★ Enough canvas goes into *Willys-Overland's* output of Jeeps to build a circus "Big Top" seating 100,000 persons ★ Homes for war workers that can be fabricated and erected in 125 minutes are being produced at the *Libby-Owens-Ford Glass Co.* plant in Ottawa, Ill. ★ *The Automobile Ins. Co.* and *Standard Fire* of Hartford have set up a six to eight weeks class in fire underwriting for women ★ *Pratt & Whitney Aircraft* claimed another "first" in its industry when awarded the Navy white star to acknowledge a second six-months of production efficiency.

Fifty-six Fruehauf Trailer Co. girl employees each knitted a square of a huge afghan now being used by a wounded U. S. Marine.

Pangborn Corporation, Hagerstown, Md., has tripled its production of ma-

chines used for cleaning and removing scale, dust control and handling equipment for heavy military items such as bombs and tanks. Outstanding accomplishment was a machine for descaling interior of 75—105—155 mm shells. One machine was developed which would handle either size shell ★ *William Sellers and Company*, Philadelphia, whose machine tools helped build the "Monitor" in Civil War days, received an "E" pennant for providing machine tools that are now contributing to production records in practically every shipyard and aviation plant.

R. Hoe & Company, New York, builder of printing presses and saw mill equipment, produced a three-inch cannon in 1847—produced the tools for making rifles during the Civil War—completed its first contract for 90 mm recoil mechanism in this war four months ahead of schedule.

Leeds & Northrup Co., Philadelphia, report that 65 out of every 100 employees entered slogan contest. First prize won by slogan, "V Depends on Me" ★ An electronic apparatus developed by *Brown Instrument Co.*, Philadelphia, eliminates need to jot down engine data by pilots when testing planes at high speed.

Two Navy officers received the *Lincoln Foundation's* \$13,700 grand award for best welding study which will save 25 per cent of construction cost in caissons ★ *Caterpillar Tractor Co.* has inaugurated a three-year business training course for 16 to 18 year olds that will teach them how materials pass from vendor's plants through company inventories into the finished products ★ *American Machine and Metals*, East Moline, received award for doubling its production of anti-aircraft gun mounts and saving the Government \$500,000 through efficiency technique.

Easy Washing Machine Corp., Syracuse, is conducting a refresher course for divisional managers in which they must actually rebuild used washers ★ When *Timken-Detroit Axle Company's* three plants received Army-Navy award they received an additional accolade for the help they had given Army in mechanized warfare during post-war period ★ *Hercules Powder Co.* employees' booklet tells how company has grown from 1,000

employees and 13 plants in 1913 to 36 manufacturing plants and 12,000 employees today, exclusive of government ordnance plants ★ *Goodyear* announces near completion of its third Chemigum or synthetic rubber plant. First one went into operation June, 1941 with annual production of 2,500 tons.

Revere Copper and Brass' Chicago plant, recently honored with Army-Navy pennant, was founded 34 years ago with two employees, Donald Dallas, now president of the company, and his father. Plant now employs 2,200 workers ★ *Altec*

Service Corporation is equipping a plant at Lexington, Mass., for a new electronic division to produce a complicated, confidential electronic device for U. S. Navy ★ *The Louisville & Nashville Railroad* is using seven tractors and 400 trailers to expedite less-than-carload freight shipments through its Louisville freight shed ★ *Victory Plastics Co.*, Hudson, Miss., is making Tenite bayonet scabbards for U. S. troops—the new plastic replaces wood and leather formerly used in bayonets.

Century Electric Co., St. Louis, Mo., is distributing seven bulletins on how to take care of motors to insure long service.

A woman in the *Monsanto Chemical Co.* management has performed a miracle—designed a two-piece uniform for women workers that can be worn by a small woman without making her look tacky and by a large woman without making her look like a hippopotamus ★ *Nash-Kelvinator*, directed by George Mason, who headed operations at the Rock Island Arsenal in last war, will produce five times its peace-time production when it reaches peak—included in war products are flying cargo boats, airplane propellers, 2,000 hp airplane engines, transport trailers, binoculars ★ *Albert Kahn, Inc.*, Detroit, was the first architect and engineer office to receive Treasury Dept. award for ten per cent war bond pay roll deductions.

National Smelting Co., Cleveland, impressed workers with personal responsibility at a huge ceremony by swearing them to a solemn oath pledging their "hearts and hands" to the country's cause—more than half of workers are negroes ★ *Taylor-Wharton Iron and Steel Co.*, High Bridge, N. J., celebrated its 200th birthday last month—supplied cannon balls for Philadelphia Committee of Safety in 1775—has provided military equipment for every war since—developed the "Panama dipper teeth" for use on steam shovels in digging Panama Canal ★ *Columbia Steel Co.'s* big new Geneva Works near Provo, Utah, will start producing pig iron in April—steel plates for ships will be rolling off by June—the six and one-half mile railroad for hauling coal to new plant was completed in 60 days.



"SUNSET," painted by Rudolf Wettling

Things you can count on . . . When day is done, and shadows fall, sit down and enjoy your favorite Kaywoodie Pipe. You can. With so much that *must* be curtailed, and so much to do these days, it's good to know you can still enjoy the Kaywoodie Flavor — from the same fine Kaywoodie Briar you like so well, just as it was before the war.

It is not surprising that this should be so. A Kaywoodie Pipe is not a thing of the moment. It takes years to season and cut one. It was this circumstance of the long time needed for preparation, that caused us to have a very large supply of Kaywoodie Briar before this war started — and so we can go on making these fine pipes, of Mediterranean wood that has no equal, in a time of scarcity and substitutes. We have enough Kaywoodie Briar to last a long time.

A Kaywoodie Pipe is as good a companion in war as in peace — sure, steady, reliable. There's no other satisfaction that is quite the same. Naturally, you won't find the same enjoyment in lesser things. And you won't need to. Kaywoodie Briar will not change. It will always remain the same. The good Kaywoodie Flavor is one of the things you can count on.

This Kaywoodie Pipe is an "Apple" Shape Flame Grain briar Inlaid with Meerschaum, \$12.50. (Slightly under actual size)

© 1942 Kaywoodie Company, New York and London. In New York, 630 Fifth Avenue



FOR VICTORY



BUY
UNITED
STATES
WAR
BONDS
AND
STAMPS



DEATH CAR...

ONLY A CHILD'S TOY on an unlighted stairway. Yet as lethal as a speeding truck for killing or crippling. For causing heartbreak and tragedy in someone's home.

Accidents . . . in the home . . . on the highways . . . in factories and offices . . . cost this nation 102,500 lives last year. This tragic toll, preventable to a great extent, was augmented by the permanent disabling of 350,000 other people . . . by 9,000,000 lesser casualties.

Production-wise, America's war effort lost heavily. In all, 480 million man days were lost forever. Enough to have built a total of 20 battleships, 100 destroyers, 9,000 bombers, and 40,000 tanks! Money-wise, the loss was almost 4 billion dollars!

Where did these accidents happen? Two-thirds of them happened outside of industry. In the home, where workers take chances they would not dream of taking on the job. They happened in darkened hallways . . . in bath tubs . . . in garages and basements. They happened in industry where someone gambled with safety.

No matter what you do, your life is precious to this nation. Don't take chances with it. Guard it for America . . . at day . . . and at night. Fight carelessness, the Master Saboteur! Join the anti-accident crusade! Help save a life!

The perfection of the famous "Eveready" fresh DATED flashlight battery called for coordination between various Units of Union Carbide and Carbon Corporation. The exact grade of graphite necessary for the "mix" was developed by the Acheson Graphite Corporation. Special alloy for protecting molds and machinery was produced by the Haynes Stellite Company, and Carbide and Carbon Chemicals Corporation provided a specially prepared paint made of "Vinylite" resins for the spun metal cap.



"EVEREADY" FLASHLIGHTS AND BATTERIES
NATIONAL CARBON COMPANY, INC.

30 EAST 42ND STREET • NEW YORK, N. Y.
Unit of Union Carbide and Carbon Corporation



The words "Eveready" and "Vinylite" are registered trade-marks.

Washington *and* Your Business



After a Year of War

THIS is the way the story is told. A convoy entered a Puerto Rican harbor, laden with doughboys and 2,000 tons of sugar. The business interests of the island protested the sugar:

"Over in the States," said the business interests, "you are enjoying what has been described as a sugar shortage. Here in Puerto Rico we have so much sugar we cannot find warehouses for it and another crop is coming on. What's the idea of dumping more on us?"

The officer commanding—so goes the story—drew himself up:

"Don't you realize," he barked, "that this is war?"

Of Course We Made Bungles

THE impulse of most of those who heard that story at first hand was probably to give up hope. An army in which that kind of thing could happen and a people which could have that kind of an army could have no chance at all against armies which are as efficient as power tools. Every one had a story of the same kind to tell. The Tolan committee reported that:

"Guns designed in the '30's are being made and impeding the

manufacture of new and urgent weapons designed in the '40's."

In the six parts of the Tolan committee's reports incredible stupidity, slackness, confusion and delay were revealed. The committee found no evidence of a national program. "No clear cut plans." It quoted Donald Nelson as saying that the program is so vast that no human eye can see all the facets. The committee suggested centralizing the power and responsibility in the hands of a man who knew how to deal with the situation.

"We are still intent on control by the multiplication of our fetters."

The policy for the year 1942 was called a policy of drift:

"This war can be lost in Washington."

The Charges Were Mostly True

THE surface reader saw nothing but tales of ineptitude. Coffee is to be rationed but one heard of ships riding high and empty on their return from the Coffee Coast. The Baruch committee report on rubber set up demands that the same committee turn the clear light of intelligence into half a dozen other muddy

messes. Congress broke up the C.C.C.—not as an act of courage but in an uncontrollable upheaval of the gastric juices—and abandoned C.C.C. camps were found littered with tires and trucks and other material which is literally priceless. We were spending \$6,000,000,000 a month. Yet no one knew how large an army was being planned—or if any plans were being made—or where it was to fight. More than 1,000,000 civilians were at work for the Army. Critics were jocularly waved aside as armchair strategists. Our promises covered the world like flying leaves.

Yet We're Doing Pretty Well

THE man on the street knew these things, as shown by the November election, but he apparently feels about as General Vandegrift did on Guadalcanal. Things had not been going so well over there, either. The Japanese were on three sides of Vandegrift's Marines and the Pacific Ocean on the fourth side. There were 20,000 or more Japanese and not many Marines. Some one asked Vandegrift:

"Can you hold out?"

"Hell, yes," said the general. "Why shouldn't we?"



Meekness is no War Virtue

IN the year since Pearl Harbor, the Army and Navy and Industry have done their work well. All things considered, almost incredibly well. Not as well as Americans thought Americans could do. There's no doubt that we have been a pretty bumptious people. We could always tell any other people how to handle whatever problem they faced at the time. We always told them where to get off, too. We thought of ourselves as the strongest, smartest, fastest nation in the world. We still think of ourselves that way. Any one who suggests that we are not tops in anything can always get an argument, and that's the way it should be. Rich and fat and juicy as we are we would have taken a terrible going over from other nations if we had been timid. There is a saying that the meek inherit the earth, but that the meek never get possession of the inheritance. Big, tough guys straight-arm the meek until he signs where he is told.

Japs Paid Us a Compliment

ON December 7 the Japanese paid us a compliment. They thought we were as smart and strong as we had always said we were and so they paid us a hit-and-run visit to Pearl Harbor. If they had realized

that we were then enjoying an attack of fatheadedness they would have sent an invasion army along with the bombing fleet. No one denies now that Hawaii could have been taken on December 7. The Japs could have landed on the mainland and we could not have stopped them. They would have done those things except that they had heard us in one of our occasional reverberations to the barroom type of our early years Out West:



"Wild and woolly—hard to curry—never was tickled below the knees."

We have been curried and tickled but we are still wild and woolly. Eleven months after Pearl Harbor we were going strong in Africa.

Here's Where the Trouble Starts

IT is at this point that veracity troubles began which certainly contributed to the political overturn of November. The facts about the Pearl Harbor licking were kept from us, so far as keeping was possible. The American people have been pretty liberally educated by their newspapers and magazines. They know that the publication of facts must sometimes be forbidden for fear the enemy may profit by the knowledge.

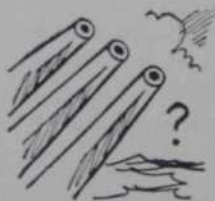
There is no other excuse for censorship in the United States. The blacking out of any fact other than a strictly military danger is invariably either to protect an incompetent or cover up a mistake or for a political reason. When the Administration ordered that the death lists be not printed it gave evidence that whoever was responsible for that order completely fails to understand us. We may be brash and noisy but we are also tough.

What the Navy Has Done

THE taste of Pearl Harbor will never leave our palates. The Navy made other mistakes. But the Navy did some grand fighting after it caught its breath. It was just big enough for a one-ocean navy, and it was split between two oceans. It had not enough air and not enough small craft. In the year after Pearl Harbor something like 600 merchant vessels were torpedoed on the Atlantic Coast. But the Navy thinks it can hold its own now with the submarines. Its defences on the Eastern Sea Frontier are—the Navy thinks—fairly formidable. No one denies now—at least few deny—that the Navy had not kept up with the times. The Navy's idea of a nice war was a line of battle of big ships shooting the turrets off the enemy, while the keen-eyed admiral watched from the bridge. That idea has been done over.

How About the Battlewagon?

THE Navy has battleships. No one knows where they are. All that is definitely known is that the huge arks the Navy wanted to build have been put aside until we know whether we want them. Naval building since Pearl Harbor has been of cruisers, submarines and small craft, along with carriers. The carrier is indispensable in today's war. But the fighting in the Pacific will settle the battleship-carrier rivalry. Maybe the battleship will prove to be



the backbone of the Navy, as it long has been—tough and hard hitting—and it may be that it will be beached in favor of many small carriers or fewer large carriers which would in fact be merely modifications of the battlewagon.

No One Wants to Read Figures

SINCE Pearl Harbor, the air arm of the fleet has been stepped up. No totals of planes, men or horsepower need be given. Statistics are not very interesting. There is a feeling that, before Pearl Harbor, the airmen of the fleet were less than family friends of the sailors. The Navy has always prided itself on being—well—snobbish—and it looked on the flyers as rough and horny-handed parvenus. Nowadays the Navy airmen go around with their hats on nine hairs.

The Navy's men think the Army has claimed credit for some of the Navy's kills. It is, of course, a military necessity that the Army and Navy chiefs work in close harmony, but it might not be altogether a disadvantage that the Army and Navy fighting men make snoots at each other. The result might be larger bags of Japs. It will be noted, by the way, that writers and radio commentators seem to regard the war in the Pacific as peculiarly our war. Most of our fighting strength is being sent to Europe, but the average man has his eye on Nippon.

Lesson for All Airmen

A TREMENDOUS drive for more aircraft began after Pearl Harbor. The aircraft industry did impossibilities. But the industry, the Army, the Navy, and all the rest of us made our national mistake. We thought that bigness was the thing desired. The President used unbelievable figures in scheduling future production. For years we had grown so accustomed to tossing around billions that we did not stop to think. Or our thinking was not listened to. Each nation has its own weakness.

The Germans are too sure of their might. They lost the First War because, in their egotism, they spread their lines too thin. They have paid a higher price than Stalingrad could possibly be worth because the *herrenvolk* will not be denied. The Italians are good mechanics and good soldiers but they are individualistic. When an Italian beholds himself on a spot he leaves the spot. That's excellent judgment, but it impairs the mass value of his army. The British are slow on the uptake, but, when they get a-going, they're good. We like bigness—skyscrapers, gang plows, mile-long trains, big dams. It took us a little practical war experience to learn that quality brings home the bacon in the air. But we did learn. If that is a boast it will be shown up when we turn on the juice in 1943.



Growth of the Army

TODAY we have 4,200,000 men in the Army, plus 1,000,000 civilians to work for them. Next year we may have 9,500,000 soldiers. Only a little while before Pearl Harbor we had only 174,000 men in the Army—so Chief of Staff Marshall reported—and perhaps one-half were either in permanent garrisons or in the services. The job of building that great army from that small army is accepted almost as a commonplace. But Marshall could not merely rub the bottle after Pearl Harbor, and watch the full-armed

"Will I ever get at that Holiday Gift List?"



RELAX, O Busy Executive! You can write off the longest business gift list in 60 seconds—and be sure of a happy holiday for everyone on it!



For those "sacred" customers? After each one's name, just jot down "Calvert Reserve". One look at the name on the label—and they'll be sure they can trust their affairs to a man who picks a whiskey like this!

Your business associates? Write "Reserve" in for them, too. When they first get that unique "soft" flavor in an Old Fashioned, Highball or a Manhattan, they'll toast your good

taste heartily. For Calvert Reserve has the happy faculty of *blending with*—rather than overpowering—other ingredients in a mixed drink! Try it yourself! You say you'd like to give *all your list* Reserve? You can. It's less expensive than you think.



Just count the names, divide by 12... and order that many cases today! Simple, isn't it? And you can be certain that the impression your *thoughtfulness* makes will outlast the whiskey.

NOW, FOR THE "OLD MAN" HIMSELF, your president or chairman of the board...write in LORD CALVERT! It's the princeliest, costliest whiskey blended in America. We can say no more! When money is no object, give Lord Calvert!



For Happy Holidays, give

Calvert

The whiskey with the "Happy Blending"



Calvert Distillers Corporation, New York City. LORD CALVERT "Custom Blended" Whiskey—86.8 Proof—65% Grain Neutral Spirits. Calvert "Reserve": 86.8 Proof—65% Grain Neutral Spirits.

MORE GOOD NEWS FROM THE PRODUCTION FRONT

Announcing THE FIRST BILLION OF WAR PRODUCTS IN '42

THANKS TO 341,000 GENERAL MOTORS MEN AND WOMEN
THANKS TO OUR THOUSANDS OF SUPPLIERS AND SUBCONTRACTORS

Who Are Doing the Job

Already this year General Motors has delivered guns, tanks, airplanes, airplane engines, Diesel engines, trucks, shells, and hundreds of other items for our armed forces to a total value of more than a billion dollars.*

It is in no spirit of boastfulness that we make this encouraging report, but with full realization that the job ahead will call for even greater effort on the part of all of us.

This ever-increasing contribution to the war effort is being made in the truly American way: through the application of management experience, engineering knowledge and mass-production "know-how." As a result, voluntary reductions have already been made in contract prices, saving the Government hundreds of millions of dollars.

*We would like to tell you just how many of these items have already been produced, but such information would be of value to the enemy.

Allison Aircraft Engines

Army Trucks

Airplanes

Pratt & Whitney Engines

Machine Tools

Bearings

Generators and Regulators

Diesel Engines for Tanks,

Trucks and Ships

Tank Gun Mounts

Anti-Aircraft Gun Mounts

Airplane Propellers

Cartridge Cases

Airplane Fuel Pumps

GM BUILDS

Electric Motors

Tanks

Airplane Wings and Parts

Anti-Aircraft Guns

Fire-Control Equipment

Airplane Instruments

Aircraft Cannon

Automatic Pilots

Batteries

Shells and Shot

Tank Cannon

Ambulances

Blackout Lamps

Fuses for Shells and Bombs

Marine Electrical Equipment

Oil Coolers and Radiators

Carbines

Aviation Spark Plugs

Machine Guns

Radio Receivers

Airplane Landing Gears

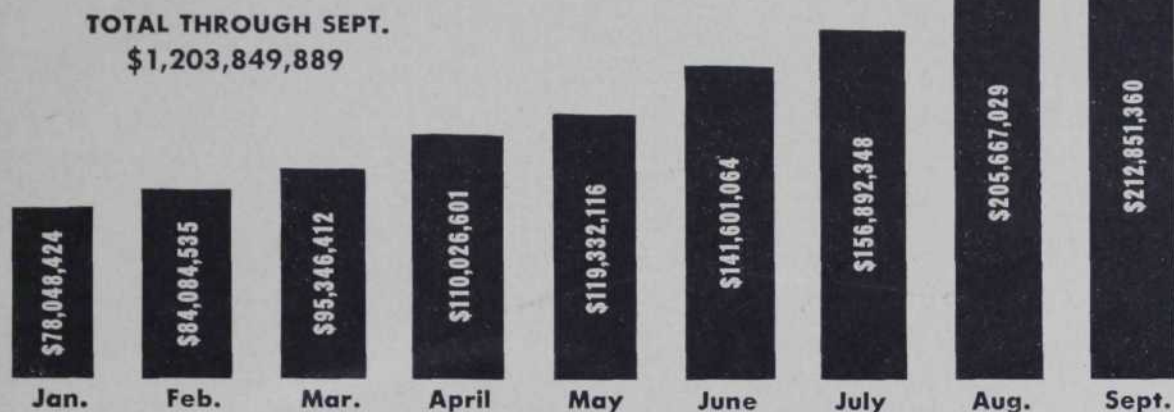
Armored Cars

Naval Gun Housings

Parachute Flares

Gun Motor Carriages

THE RISING TIDE OF GENERAL MOTORS WAR PRODUCTION IN 1942



War products made and delivered by General Motors prior to 1942—\$483,855,014

EMPLOYMENT AT ALL-TIME PEAK

More men and women are working for General Motors in the United States and Canada than ever before—341,469 in all—and our payrolls are increasing at the rate of over 4,000 a week. For the week ending October 11th, average hours worked were 46.5, compared to 40.5 last year.

SUPPLIERS AND SUBCONTRACTORS DOING HALF THE JOB

Since half the job is being done outside our plants by our suppliers and subcontractors, they are employing an additional 300,000 or more as their part of this war effort. Their effort and employment must continue to increase with ours.

VALUABLE TIME AND MATERIALS SAVED

Hundreds of improvements effected by

General Motors production men and engineers are saving millions of productive hours and thousands of tons of critical materials. Through the General Motors Suggestion Plan the factory workers are also doing their part and have made more than 4,000 constructive suggestions, for which they have received awards in War Savings Bonds.

ALL PLANTS AT WORK ON WAR PRODUCTION

The 104 General Motors plants and operating units in 46 cities and 13 states are all on war production. So are the five General Motors plants in Canada. Every General Motors employee in our laboratories, factories and offices is working for victory. *From this production army comes an ever-growing volume of weapons, munitions and equipment for our Army, our Navy and our valiant Allies.*

GENERAL MOTORS

"Victory Is Our Business!"

THE AMERICAN WAY WILL WIN

manpower step out. He had four prime advantages in handling his job.

Here's a Bit of Bragging

MARSHALL knew what he had to do. The plans had been made years in advance. When Louis Johnson was Assistant Secretary of War he had helped to establish a liaison between the Army and industry. Marshall did not have to bother about saving any old material. None of it was worth saving, except for the Springfield and a few old Krag rifles and a few hundred French 75's left over from the First War. Only a few of these had been motorized, although the American Army has been consistently first in its thinking about putting its men on wheels.

The tanks were only fit to be scrapped, the signaling apparatus did not exist in war-fact, our heavy field pieces were heavily nix, and our transport could not handle a division without borrowing trucks. The most impressive item we had were the coastal defense guns. They were big and noisy. When they boomed they broke windows. They were not worth a nickel. The Army's air was a joke, except that there are no jokes in war. Congress gave Marshall all the money he could spend, he had the finest Corps of Engineers in the world, which had been kept busy on flood control and harbor jobs and was therefore at a peak of efficiency; he had a reservoir of officer material from the R.O.T.C. and the Reserves and the National Guards of the states, and he had time. We were in no immediate or probable danger of invasion.

Hits, Runs, and Lots of Errors

SPACE might be left here in which the reader could fill in the list of mistakes the Army made. Camps were located in the wrong places, they were ill-drained in some instances, the newly inducted men suffered unexpectedly from various kinds of sickness, some of the ordnance proved not to be up to the demands of the new style in war, many of the civilian officers proved unsatisfactory, he could not get arms and armor as he wanted them until he was forced to maneuver his new army with buggies labelled "tanks" and crooked sticks for machine guns.

None of these things would have happened if we had had Hitler's seven years of preparation. But before the first anniversary of Pearl Harbor came around Marshall had been able to ship 800,000 men overseas, and they are today as tough, well armed, clothed, disciplined and medicined as any men in the world. In the few spots where the Army has fought that has been proven.

Transportation Made This Possible

THE expansion of this army of 174,000 men into this army of 4,200,000 men would have been a holy mess if the transportation plans had not been practically perfect. In the First War, the Army learned its lesson. A system was set up under which all the railroads, under their own management, clicked perfectly with the Army.

No one of the innumerable commissions and authorities and boards which cluttered Washington was permitted to interfere. The Army teletyped and telephoned its desires to the railroad management and trains rolled in and out with a practical perfection. This is not overly colored praise.

At the embarkation points the men and material were loaded on ships which were ready at the day and hour. Then the Navy took over and, in the move-

ment of 800,000 men across seas, not a man had been lost by enemy action. It was an example of what men can do when they know their business. This affair in Africa rested on transportation. Innumerable trains and 850 ships were handled perfectly.

How Large Will Be Our Army?

ONE year after Pearl Harbor we do not know how large an army we will have in the end. Until we know everything else is thrown out of kilter. Chief Hershey of the Selective Service has said that he hardly knows from month to month what the Army's manpower plans will be. Tomorrow's Army will be 9,500,000 men, according to Secretary Stimson, but men who should know say that an army of 10,000,000 to 13,000,000 men is planned.

To form either sized army plans must be made. But workmanlike plans cannot be made until the soldier strength is decided. That decision apparently rests on high politics.

Men Must Be Held Here for Home Defense

THE Army—and the Navy, of course—must bear in mind the possibility that our Allies might be defeated. If our troops now overseas were to be cut off by a German victory—which now seems more wildly improbable than at any time since this world folly began—we would find ourselves with coast lines 7,500 miles long, on which every city is open to any attack from a row-boat up. If that improbability—that incredibility—were to happen, no one need doubt that the vandals would attack us. There are enough fur coats in New York City alone to cover the German Army. Or almost cover it. Stretch



that statement to cover Long Island and New Jersey and make it safe. Our cities own diamonds by the hundred-weight.

We have so much gold in the government vaults that no one bothers to remember the total. Never in all the history of the world has there ever been so much loose loot.

They Say on the Hill—

ON Capitol Hill the more seasoned congressmen are inclined to look favorably on the future. Inflation is coming—they say—and next year we'll be standing in queues and maybe going a bit hungry and the death lists will begin to fill the papers. But they think the two party system is operative again, that order will replace the pancake plan of administering the nation's affairs, that the huge army of bureaucrats will be whittled down, and that the efforts made by Byrd and Taft and Tydings—to name only three—will bear delayed fruit in economy in government spending. There will be, they think, less bossing of business men who know their business by learned men who do not.

They think that the do-gooders and the world makers and the prophets will not be heard from so much in the year to come. They point out that, after all, only a year has passed since Pearl Harbor.

Herbert Corey



A FATAL ACCIDENT THAT DIDN'T HAPPEN

This X-ray of the casting for a vital airplane part plainly shows defects. Time will not be wasted machining it, and building it into a plane. And a crew of American flyers will not face the possibility of a structural failure in the air, due to the defects . . . so in spite of its unprepossessing looks, it's really a significant picture.

Kodak Industrial X-ray Film helps arm America better, faster

X-RAYS are penetrating little rays, 1/10,000 the length of light rays. The eye can't see them, but they register on sensitive photographic film. You know how they go through flesh and bone—flesh easier than bone. You've seen the pictures.

They go through aluminum more easily than through steel—but they go through both. Kodak research and skill made it possible to produce a film so sensitive that, with the modern X-ray machines, it gets an X-ray picture of the inside structure of dense metals like steel armor plate, inches thick.

In one aircraft factory alone, every day, several thousand 14x17-inch sheets of Kodak Industrial X-ray Film are used to examine aluminum castings. And this X-ray method of inspection is becoming typical of American aircraft production.

This safeguard makes it possible to use 25% less metal with safety—it is no longer necessary to compensate for possible defects by adding extra weight. It saves material, it saves work, it saves lives.

Invisible defects in the welded seams of high-pressure boilers—for the U. S. Navy—are searched out through X-ray pictures. Welders even "go to school" through the medium of radiographs—they "pass their examinations" when X-ray film shows they can produce a flawless weld.

The widespread adoption of Kodak Industrial X-ray Film was hastened by the urgencies of war. Now that this method of testing has proved its value so conclusively, you can be sure that it will continue to serve you after the war, by guarding against hidden defects in products you will buy . . . Eastman Kodak Co., Rochester, N.Y.

SERVING HUMAN PROGRESS THROUGH PHOTOGRAPHY

Money Does Grow On Trees

JITTERY about inflation?
Build a "hedge" with trees! It's
an old (but modern) custom

A GOOD example of how 1942-minded Americans are rediscovering old "horse and buggy" practices and are benefiting greatly thereby may be seen in the new popularity of tree-farming, which is as old as the New England town meeting and as up-to-date as a Kaiser thought.

Growing trees for profit, health and beauty is becoming rapidly a national practice among shrewd farmers, lumber companies and individuals seeking an investment for inflation-threatened cash.

Even towns and cities—some 1,500



FRANCIS DI GENNARO

Woodman, spare that tree—until it's ripe!
Tree farmers get top prices by waiting

of them—have "community forests." No less than four branches of the federal government encourage tree farmers, while most states have parallel programs designed to increase the number of persons, companies and towns owning and caring for forest land.

And the traditional magic of the chemist and the industrialist in finding new uses for all types of wood gives promise that an investment in wood will never become a rotten one.

Just take a glance at the record of three typical long-time tree farmers, the Morse boys—Nelson, Harry and George, Jr., of Coopstown, Harford County, Md., who
(Continued on page 76)



The trees that pass through thousands of sawmills like this one are more in demand today than ever . . . as wood uses expand

MANAGEMENT'S

Washington LETTER

A last minute roundup by a staff of Washington observers of government and business

REPUBLICANS AND ANTI-ROOSEVELT DEMOCRATS who will rule the new Congress have agreed privately, since election, on four basic policies for the coming session:

1. No more blanket grants of authority to the Executive, save for strict military necessity.

2. No more blank checks for billions. Appropriations will be scrutinized and earmarked.

3. Congress will formulate its own tax policies whether Treasury likes it or not.

4. Simplification of the enormous burden of paper work, which threatens to bog down civilian regimentation, will be demanded.

Congressional cynics will tell you this is like trying to lock the barn door after both horse and lock have been stolen.

But there is serious determination to recapture as much as possible of Congress' lost prestige and influence.

Cloakroom predictions are that moderate conservatives of both parties will wrest control of House and Senate from titular New Deal leaders.

Conservatives say they'll have a "margin for sanity" of six to eight votes in the Senate, 30 to 40 in the House.

Party lines will shift and waver on specific issues. They have never meant less in the national legislature than they will mean in the coming session.

There's small prospect now for closer collaboration between White House and Congress.

President Roosevelt shows no disposition to unbend toward legislators. Resentment

runs deep against what many view as usurped authority and personal disparagement by the President.

Keep this in mind, however: Congress will follow not only the election returns, but the war news as well. If war news is good, Congress will be quiescent. If it's bad, Congress will kick up a lot of dust.

► There's more than meets the eye in the order of Economic Stabilization Director Byrnes to the Treasury to prepare a tax program which the OES Board—not the Treasury—can offer to Congress.

Legislative leaders say Byrnes is taking over the responsibility of dealing with Congress on behalf of the executive branch of government.

Treasury Secretary Morgenthau's standing with Congress is very low. Byrnes' is very high. There will be far less friction between the legislative and executive branches of government if Byrnes acts as liaison.

There's general agreement that about 16 billions in new taxes—in addition to revenue from the measure recently passed—must be raised next year if the gap is to be closed between purchasing power and available goods.

There's also general agreement that income and corporate taxes have gone about as high as they can without running afoul of the law of diminishing returns.

Sales tax talk has spread through Congress since election. Experts are studying a possible 5 per cent levy on all consumer sales.

Argument for the sales tax turns more on its value as an inflation check than as a revenue producer.

Consumer sales are expected to shrink fast next year. If they reach a grand total of only 40 billions, as the experts predict, a 5 per cent sales tax would raise only 2 billions. Drop in the bucket, these days.

Hence the belief that sales tax will have to be accompanied by other stiff new levies reaching deep into lower income levels. Such as a doubled Victory tax, a purchasing tax, compulsory war bond purchases, for example.

A major danger which senators such as George and Vandenberg want to avoid, is the possible routing of war bond purchases through Federal Reserve banks without putting them through the open market.

This would be the equivalent of printing press money, they feel.

► There's a move on to lower the salary limit to \$10,000 next year.

It isn't idle talk. Several business men with "friends at court" have been warned to prepare for the reduction.

High administration officers are talking about it—in confidence.

Congressional leaders say there isn't much they can do about it save deplore. Here's why:

President Roosevelt can do pretty much what he chooses as to wages and salaries under his present anti-inflation powers. Congress hasn't the votes to repeal those powers, probably wouldn't repeal them if it could.

Mr. Roosevelt's authority does not extend, however, to income other than wages and salaries. That's why he didn't place his \$25,000 limitation on all income. Only Congress can reach this "other income," through taxation.

There's probably a congressional majority opposed, on principle, to any arbitrary limit on income. So Congress is not likely to match the salary limit on income from investments, royalties, etc.

Result: Congress probably will make a gesture against arbitrary limitation of any kind, then wash its hands of the whole business.

There'll probably be a court test of the \$25,000 limitation. President Roosevelt's legal authority to establish any definite limit is open to challenge, lawyers say.

► Federal control of wages and of salaries under \$5,000 will be a painful process for both management and labor.

A lot of water will flow under the bridge before they'll know just how and to whom the new rules apply.

War Labor Board was already swamped with "dispute cases" before its chief character was changed from quasi-judicial to administrative.

Now it has a new flood of wage and salary control cases, and it isn't ready to handle them.

Board has been concentrating on policy before setting up its administrative organization.

It is establishing 10 regional offices staffed by directors, assistants, and advisory boards.

Both "dispute" cases, and regulation cases where there is no disagreement between management and labor, will be handled in the field, subject to Washington approval.

Until the regulatory machinery is set up, about all employers and employees can do is play by ear, and hope for the best.

► You can get dollars to doughnuts in Washington that the 48-hour work week will be established shortly.

The real issue will be over the point at which overtime pay starts—at 40 hours, 48 hours, or somewhere between.

Truman committee of Senate was first in the field with a proposal for 48-hour work week but with overtime at time and a half, to be paid in war bonds cashable only after the war is over.

Christmas sales of consumer goods are expected to hit a new high this year,

bringing total consumer sales for the year to 52 billions. This compares with 42 billions in 1929, an expected 40 billions next year.

Shortages exist in many lines, but general volume holds up well. Women's lines are booming. More women are employed, spend their own money.

Government officials expect store sales will continue at present level for first five or six months of 1943. After that, curtailment of civilian goods will hit hard; sales volume may drop to 14 billions for the last six months.

► Government's paper work is growing by leaps and bounds. Latest evidence:

Treasury is setting out to get 600,000 typewriters built since 1935. It estimates there are 2,400,000 available, mostly in private business houses.

If you have typewriters and will sell, Treasury will pay slightly more than the trade-in allowance. If enough aren't offered for sale, government will walk in and take them.

Dealers in new and used typewriters, and manufacturers' representatives have been designated as U. S. Typewriter Purchase Depots.

Forty-two suggestions are offered by government to business on how to get along with fewer typewriters.

Boiled down, government's advice to business is: cut down on paper work.

► The domestic issue which overshadows all others just now is voluntary action versus compulsory control of civilian life.

Currents on this issue run as deep as American traditions. Advocates of voluntary action were fighting a losing fight until the election. Now it's a toss-up.

There is sharp division within government on the issue, and it will grow sharper. President Roosevelt is letting his aides fight it out, behind closed doors.

Final decision may rest upon how the country takes to nation-wide gas rationing, tire inspection regulations and other

controls which are just being felt.

Greatest impatience with volunteerism is in War Department and civilian regulatory agencies.

There's no question that if the military took over control of civilian economy, civilians would get little consideration.

► Food outlook for 1943 grows progressively worse.

Farm authorities predict the basis of our national diet will be bread, potatoes and molasses, plus short rations of meat, green vegetables and fruits.

Butter, eggs and cheese will practically disappear from the market within next few weeks if present fears are realized.

Farm labor is still not frozen. Selective Service "suggested," did not order, local boards to defer farm workers.

Government control of food comes too late to avert serious shortages.

► American newsmen with European connections report that German production has taken a bad slump since its peak in first year of war.

Output of both food and war weapons in conquered countries has been a serious disappointment to Hitler.

Transportation is slowing down. Rolling stock is deteriorating. RAF bombings have played havoc with key rail centers.

Food quality and quantity is down, even in Berlin, which gets preference. Digestive disorders are on the rise, further hampering war work.

1ST IN INDUSTRIAL DUST CONTROL

FOR PROCESS DUST

ATMOSPHERIC DUST

ROTO-CLONE
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and Dust Separators

AIRMAT DUST
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AMERICAN AIR FILTER COMPANY, INC., 109 CENTRAL AVE., LOUISVILLE, KY.

IN CANADA, DARLING BROTHERS, LIMITED, MONTREAL, P. Q.

Truth about German military losses continues to be withheld from the German people. Streets are kept clear of wounded soldiers.

Significant was the failure of Berlin radio to disclose the extent of Rommel's defeat by British.

Those who know German people best advise against expecting an internal crack-up. But there's new hope in subjugated areas.

► WPB's new Controlled Materials Plan will undergo a "shaking down" period of six to eight months.

Its chief virtue over previous controls is its elasticity.

Feeling here is that after many false starts and vast confusion, WPB is finally hitting its stride.

Most recent reorganization, with Ferdinand Eberstadt in general control under Donald Nelson, goes a long way toward integrating Army, Navy and Maritime Commission with WPB.

Next big job of WPB is formulation of a plan for concentration of American industry.

► Much has been said about labor shortage; little about management shortage.

Loss of executive personnel is increasingly serious.

Industry and business have not only lost managers to the armed services, but so much time is taken up with government negotiations that many executives are giving 30 to 50 per cent less time to their regular jobs.

Production efficiency suffers in some war industries, as a result. Paper work and travel to and from Washington are worst time-killers.

TOO LATE TO CLASSIFY: Joseph Kennedy is seen in Washington again, but the former ambassador to Great Britain still gets a cold shoulder from most New Dealers....Bernard Baruch, who holds court on a park bench in Lafayette Park even on chilly days, is a target of sight-seers' stares....Wendell L. Willkie tossed a

party for newsmen who traveled with him in the '40 campaign and talked to them off-the-record for five consecutive hours about his travels abroad....Willkie, by the way, says he knew the African expedition was in the wind when he "prodded" for a second front....Washington correspondents have awarded Vice President Wallace a figurative medal for political naivete because of his explanation that Republican successes in the November elections were really New Deal victories. ...Press gallery attendants of House and Senate are dusting off more seats; they expect newsmen to pay greater attention to the new Congress than to any in several years....Senator Vandenberg of Michigan has a motto on his desk which says "And this, too, shall pass." Nobody has yet asked him to diagram its meaning. ...Senator Harold H. Burton of Ohio put up a sign on his office door "Come In," and visitors from every state accept the invitation....Major General Dwight F. Davis, chief of the recently-abolished Army Specialist Corps, is retiring to his farm in Florida, trading uniform for overalls....Future war contracts may have a clause requiring that all employment be handled through U. S. Employment Service....OPA is getting 12,000 price complaints each week; now has 1,700 lawyers in the compliance section alone, and this is only the beginning....T. Spencer Shore, chief of WPB's bureau of industrial committees, is crusading against criticism of war effort; a Ferry Command pilot told him most airmen think Washington is just one big cocktail party....Oil men privately predict "startling" developments in synthetic rubber before Jan. 1....Hot-house growers have laid in two years' supply of coal; no shortage of cut flowers is in sight....A reporter for a Washington newspaper who heard OPA was talking about home temperatures as low as 48 this winter, took a thermometer with him to OPA headquarters. The mercury registered 80 in some OPA rooms....A Capital draft board spot-checking 'teen-age draft material found six of the first 13 checked were already in the services.

Time is Short, Adolf!



Copyright 1942—Philco Corporation

THE men and women of Philco have pooled their knowledge and their skill in the great partnership between American industry and our armed forces in the field. Their peace-time products have won leadership for the Philco name throughout the nation. Now, they are doing their part to win leadership for our armament, on land, at sea and in the air.

Their special field is the science of electronics. Laboratories are at work on vital war projects. Production lines are turning out intricate communications equipment and powerful radios for tanks and airplanes. Versatile manufacturing facilities are producing

This cartoon by Sherman Cooke is another in the series being drawn for Philco by America's leading editorial cartoonists to interpret the spirit of Philco's soldiers of production. It is being posted on bulletin boards of the Philco factories as a symbol to the men and women of Philco of the purpose and significance of their work in the united effort for Victory.

artillery fuzes, shells and storage batteries.

The incentive and inspiration for their war achievements are Victory and the survival of America's freedom. When that Victory is won, those same achievements will be translated

into revolutionary benefits and a greater capacity to enjoy the freedom they have helped to preserve.

★ ★ ★

Free Limited Offer. . . While available, a full size reproduction of the original drawing by Sherman Cooke will be furnished gladly upon request. Simply address Philco Corporation, Philadelphia, Penna., and ask for Cartoon Number 31L.

PHILCO CORPORATION

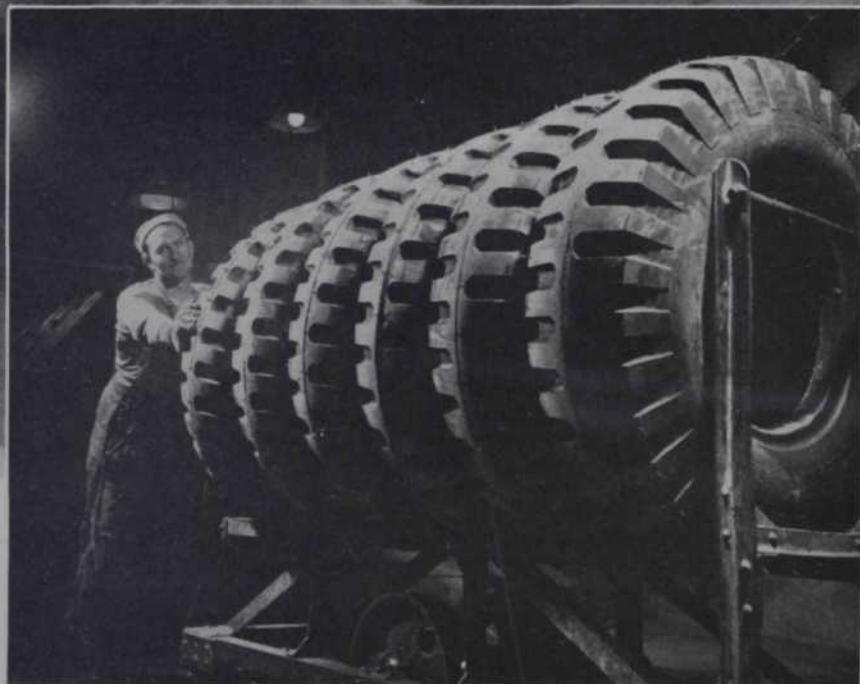


America is conserving its resources for Victory. As you save on sugar, rubber, gasoline and all products of peace-time consumption, remember too to preserve the use of the things you own. Through its national service organizations, Philco offers, at reasonable and uniform charges, the means of prolonging the life of Philco products.

RADIOS, PHONOGRAPHS, REFRIGERATORS, AIR CONDITIONERS, RADIO TUBES ★ ★ INDUSTRIAL STORAGE BATTERIES FOR MOTIVE POWER, SIGNAL SYSTEMS, CONTROL AND AUXILIARY POWER




The Army-Navy "E" Flag awarded to Philco plants in Philadelphia, Chicago, Trenton, N. J., and Sandusky, Ohio.



WHEN ARMY HALF TRACS AND SCOUT CARS go into action, "keep moving" is the order. Bullets puncturing the tires ordinarily might stop them, but General combat tires keep on going.

SIX GIANT COMBAT TIRES are shown here in General's factory... ready to be shipped to Army field duty. Now, the ultra-modern manufacturing facilities that gave you Top-Quality General Tires for your car are giving our Armed Forces vital tools for battle.



Though “Wounded in Action” this Tire keeps rolling!

WHEN you're in a combat zone . . . you can't stop to *change a tire*. So . . . General's engineers accepted and licked the assignment to build a General Combat Tire that bullets and even shell fire won't put out of action!

For many months, The General Tire & Rubber Company has been in large scale production on this wholly new kind of *fighting* tire.

Barrage balloons; gas masks; pontoons; life belts; assault boats; parachute boats; combat tires . . . these and numerous other implements of war now take the rubber that brought you General Tire *Top-Quality* in peacetime.

For Victory . . . *at home* . . . save the rubber

you have on your car. Hold your speed to 35 mph; check the air pressure regularly; be sure your tires are *always* in top condition. Don't waste a *single mile* of America's precious rubber.

THE GENERAL TIRE & RUBBER COMPANY
Akron, Ohio



The Sign of Tire Inspection, Repairs and Recapping by Experts Who Know How

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VICTORY WILL COME WITH THE RUBBER YOU SAVE

HELPING BURROUGHS USERS MEET TODAY'S PROBLEMS WITH THEIR PRESENT EQUIPMENT

**"We can produce
these new reports as
a by-product on our
present machines"**



**Burroughs has been
able to show many
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other vital reports
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by Employees**

Today it is frequently necessary to meet new accounting requirements with present equipment—and, if possible, without increasing the time required.

In meeting such problems, Burroughs men can help you determine whether new records can be posted in combination with present records . . . whether figures and statistics for new reports can be obtained as a by-product of regular routines—or by utilizing your present equipment in some other manner.

To avail yourself of Burroughs' technical knowledge and experience, call the local Burroughs office. Or write—

**BURROUGHS ADDING MACHINE COMPANY
DETROIT, MICHIGAN**

Burroughs

★ FOR VICTORY—BUY UNITED STATES WAR BONDS AND STAMPS ★

No Snoops Stop Scoops

(Continued from page 38)

that disclosed the location of the 145th Tank Corps, or whatever the outfit happened to be—an extremely important bit of military information.

To get at those editors, the censors have enlisted volunteer helpers in 44 of the 48 states. They are managing editors, journalism professors, perhaps state editorial association officials, who preach the censorship code over the rural areas of their districts.

They are not on the federal pay roll. They are known to the censorship office as field missionaries, and their value was demonstrated at the time of the President's secret trip.

Shortly before the President left Washington, Mr. Howard and two of his assistants spent a day on long distance telephones, asking their field missionaries in 23 states on or near the presidential route to remind their districts of the code restriction against mentioning the President's movements unless authorized.

A reminder to the press

THEY sent to the country editors the same reminder that was sent to the national press services, to managing editors and other news and picture agencies. It said:

The President is making a trip to a number of war plants and camps. He plans to make no speeches or public appearances. He will be accompanied by representatives of the press services who will report on the trip in due course.

Until they do, attention is called to the code restriction that, for reasons of safety, nothing be published locally or otherwise about the President's movements or whereabouts except on authority. In this instance the only appropriate authority will be the White House.

You will notice that the word "order" does not appear in that reminder. The Censorship Office never "orders" anything. It "requests" without threat of crackdown. Compliance with the request is voluntary.

Still no newspaper has deliberately printed something it knew was restricted. The office has been asked:

"What will you do if we don't go along?"

The answer to that one is:

"Well, it's a voluntary code. We can appeal to public opinion. That's about all."

Only one such appeal has come so far. When Russian Foreign Commissar Molotov was about to arrive in Washington by air the Office of Censorship distributed a notice which said:

"The White House will be the sole appropriate authority for any information on movements within a short time of a Russian diplomat."

That notice simply told the press that a Russian diplomat was about to arrive, and asked them not to mention his presence until the White House announced it, an announcement not ex-

pected until the diplomat was safely home.

Molotoff's flying crew created a sensation wherever they went in public. Crowds formed around them on the streets. It was obvious that they were Russian airmen, and it was an easy guess that they had flown a diplomat to a White House conference.

But only one newspaper mentioned that possibility. That was a columnist's remark that "the local communists are saying that Molotoff is in this country."

Byron Price shortly thereafter issued a public statement applauding the broad cooperation in holding up the story. He also expressed regret that a columnist on the *Philadelphia Daily News* broke the ban. Since then, as it had been up to that point, the *Philadelphia Daily News* has been scrupulously careful in its observance of the code.

Holding news 'til released

ANOTHER grand example of cooperation was the handling of the Wasp story. There were 1,900 survivors of that ship home on furlough in this country for a month before the sinking was announced, and just about every one of them was talking his head off about how he was saved.

Almost every newspaper interviewed at least one of those sailors, and held up the interview until the Navy announced the loss officially.

"We think those are swell examples of what can be done with voluntary cooperation, and we like to think we are doing it without the support of law," the censors point out.

Anyone looking back of the Office of Censorship for legal power may see the Espionage Act. That law applies to anyone who knowingly in any way attempts to give aid to the enemy, and any publication that persists in publishing information threatening the national security is subject to prosecution.

But, under that act, the prosecution must show that the accused had been attempting to aid the enemy, and that is not a matter concerning normal, everyday censorship.

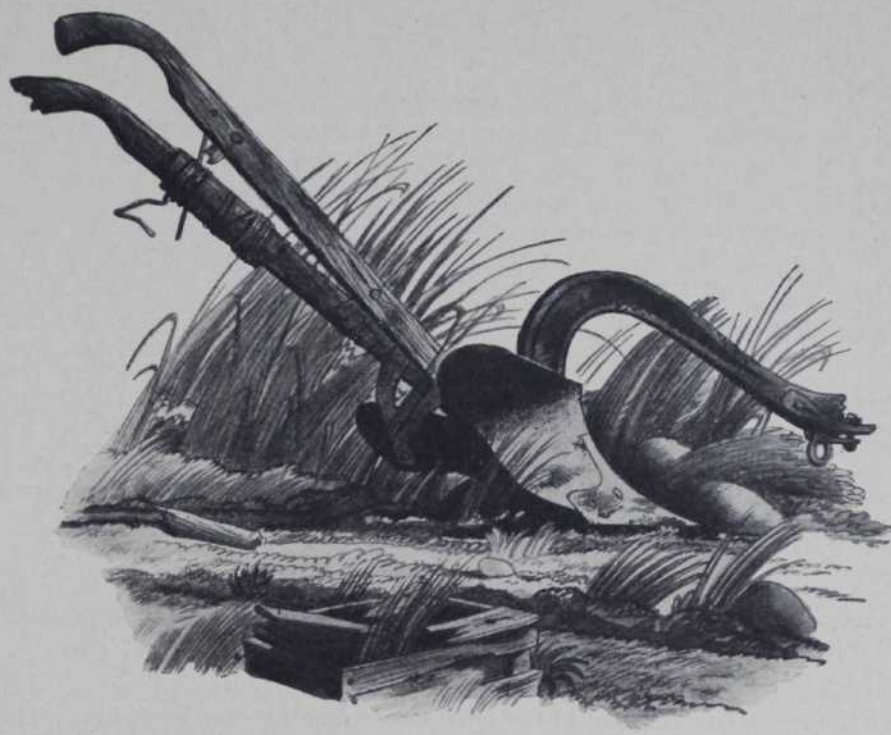
"We prefer to think we have no direct legal authority—that the whole structure is based on voluntary cooperation," explain the censors. "It's a matter of give and take."

"When *Life* magazine got up that piece raising hell about Detroit they submitted it to us for clearance. We didn't object as far as the American people are concerned. But we did object to sending the piece outside this country because of the use enemies might make of it."

The censors stated their objections and *Life* decided to go ahead despite them, so the issue was stopped at the borders. It was stopped at the Canadian border by error, apparently, because there is no censorship between the United States and Canada.

There was no hell raising, or threat of crackdown over the incident. Little, if any, of that can come from a voluntary organization, particularly from one whose chief, Byron Price, has a favorite saying which goes:

"Least said, soonest mended."



How to make a rusty plow cut 3-inch armor plate

SOUNDS impossible? Not a bit! All you do is *melt* the plow. For example, an old plow weighing 100 pounds supplies enough scrap metal for twelve 75 millimeter armor-piercing projectiles!

This illustrates why Uncle Sam is urgently asking *everybody* to turn in old iron and steel. In response, the people of the Northwest, in towns, in cities and on farms, are going *all out* in salvaging scrap.

In 1941, 177,985 tons of scrap rolled East and West over the Northern Pacific Railway. In the first six months of 1942, another 111,263 tons swelled this total.

In addition, Northern Pacific's own shops and yards have yielded, since Pearl Harbor, 50,000 tons of old metal. This scrap, together with commercial scrap collected along our line, is moving swiftly to steel furnaces over the "Main Street of the Northwest."



"MAIN STREET OF THE NORTHWEST"

Pattern for Peace

THE LEND-LEASE PRINCIPLE probably will have to be continued to rebuild Europe after the war, and payment of the reconstruction bill is something for the United States and Great Britain to be thinking about, according to the Royal Institute of International Affairs, of London.

After studying the grim post-war outlook for Europe, the Institute outlined these six steps for the planning and execution of the rebuilding job:

- 1 • **Establishment of a Reconstruction and Supply Authority** to represent the whole Allied effort, and establishment of a Ministry of Economic Welfare for Britain.
- 2 • **Formation of a non-profit corporation** financed by British, American and Allied governments to own all bulk commodities, such as wheat and coal, to assure flexibility in assigning and shipping supplies.
- 3 • **Creation of a medical relief organization.**
- 4 • **Appointment of a director-general of transport**, who would cooperate closely with the Reconstruction and Supply Authority, to control both shipping and inland transport, and communications.
- 5 • **Early consideration of the problems of transporting foreign labor** and war prisoners in Germany, and war refugees.
- 6 • **Extension of the lend-lease principle after the war**, with its success depending on financial arrangements to be made between the United States and Britain. The report on the Institute's study points out that there can be no immediate reversion to a free economy in Europe because there will be slight relation between needs and ability to pay.

Blueprints for Feather Beds

(Continued from page 23)

One of these is Sir William Beveridge, a director of the London School of Economics, and he has said:

"What about . . . the right to manage one's own business? . . . Private control of the means of production, whatever might be said for it on other grounds, cannot be described as an essential liberty of the British people."

Another is Honorable Justice Augustus Andrewes Uthwatt, whose subcommittee on post-war rebuilding has introduced its report with an explanation that the recommendations are based on:

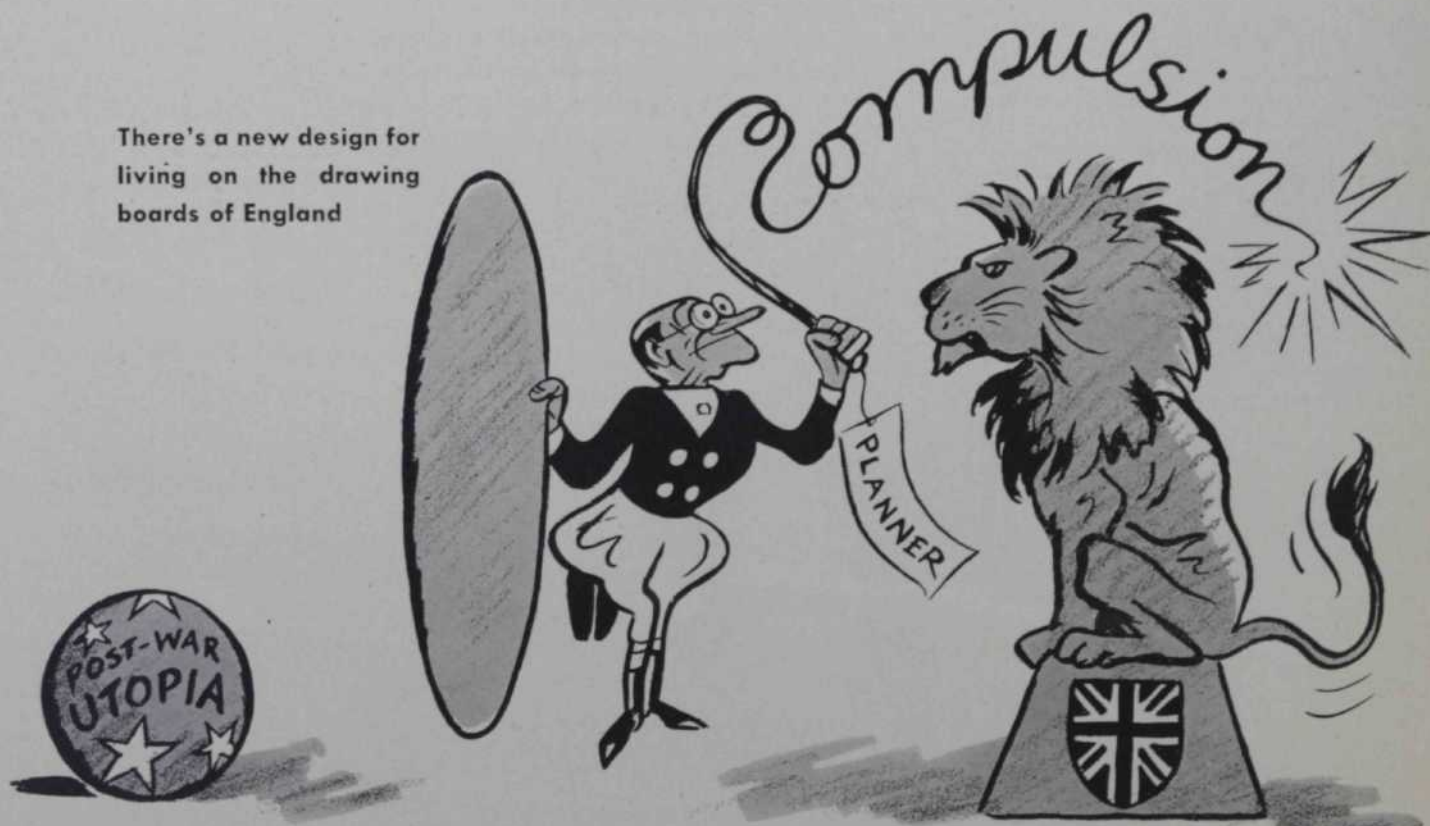
. . . the assumption that national planning is intended to be . . . a permanent feature of the administration of internal affairs of this country.

"It recognizes," the report continues, "that this involves the subordination to the public good of the personal interest and wishes of the landowners."

All of which sounds as though it might have been plucked from branches of the same tree on which grew the remarks of Prof. Alvin H. Hansen of Harvard University quoted by the *Chicago Journal of Commerce* last June 28. Dr. Hansen is reported to have been discussing the continued growth of power in the administrative branch of government. He is quoted:

"Other extraordinary powers, such as, for instance, to effect wholesale social reforms, will be delegated to the administration which will retain most, if not all, of its present extraordinary wartime powers."

There's a new design for living on the drawing boards of England



"It is folly to think we can return to normal after the war."

Dr. Hansen speaks with a note of authority, because he is a foremost consultant to Washington's National Resources Planning Board. He also was associated with Justice Felix Frankfurter, former dean of Harvard Law School and a very good friend of Harold Laski, professor of political science of the London School of Economics.

The Laski voice has a familiar ring in official Washington, as well as in the ears of many of the planners blueprinting social changes for the post-war England of tomorrow.

Churchill had reservations when he turned over to these pedagogues the job of planning post-war England.

"A word about the functions of the Minister charged with the study of post-war problems and reconstructions," he told the House of Commons shortly after the appointment. "It is not his task to make a new world, comprising a new Heaven . . . the scope . . . has regard to national unity on the one hand and about three years limit on the other."

An unlimited schedule

BUT that hasn't checked the planners. No time limit appears on their schedule for a rigidly regimented England in which the individual would be guided by a central planning scheme, rather than by his own initiative or effort, and in which free economy would be transformed into a leftist system of control.

Arthur Greenwood, present Parliamentary leader of Britain's Labor Party, was original head of the plans committee. He was replaced shortly by Sir William Jowitt, another Laborite.

The studies of reconstruction problems have been conducted mainly by three subcommittees: the Beveridge Committee inquiring into post-war social security, the Uthwatt Committee on building development and reconstruction of damaged areas, and the Scott Committee on the preservation or rehabilitation of rural life.

These committees were appointed more than a year ago. Their studies have been completed and their recommendations made. They may not have been able to create the new Heaven against which the Prime Minister warned but, if the recommendations are carried out, they will most certainly have been able to convert the economy of England into something totally alien to the Anglo-Saxon tradition.

Although the Beveridge subcommittee's report has not yet been made public in full, advance predictions of its findings tend to show that they will fit in with the views its chairman has expressed on many previous occasions.

In his book "Planning Under Socialism," published before the war, Beveridge advocated an economic general staff which would control the details of national production and regulate foreign and domestic trade generally.

This conception of a bureaucratic authority to replace the natural workings of laws of supply and demand was put forward again in a speech in London early this summer.

"National planning," Beveridge said, "means that someone, on behalf of the state, makes a design of how the needs of all citizens can be met by the use of their resources and that the power of the state is used to insure that effect is given to the design. . . . We cannot trust to the maintenance of employment by the price mechanism. . . . National planning may mean the replacement of competitive private enterprise for profit, by public monopoly not for profit."

The Beveridge recommendations are expected to do away with the fundamental motive of the economic system as hitherto known in democratic countries—a man's desire to earn an individual income and provide a future for his family.

The individual would not need to strive for his own and his family's security. The state would provide social security from birth to death irrespective of occupation or income. There would be a national irreducible income for everyone of about eight dollars a week which, considering the difference in purchasing power, would equal an income of \$15 to \$20 a week in the United States.

Everyone would receive free medical service, and the Government would even pay death benefits. The recommendations are also expected to include maternity allowances for mothers and family benefits depending on the number of children.

This idea has found favor among persons of all shades of opinion in Britain in recent years. The Socialists have advocated it with the claim that children are the chief cause of poverty, while persons of less radical opinion contend that family allowances would tend to arrest the falling birth rate which, if not checked, will result in a declining popu-

lation.

The methods of financing this ambitious program of social security have not yet been revealed. It is expected that individuals would make some contributions weekly from their incomes for a part of the cost of the scheme's general features, the Government making up the rest. The cost of providing family allowances, however, would be borne altogether by the State. Labor was against these, until this year, when the Trade Union Congress voted to support a universal non-contributory scheme.

Certain aspects of the Uthwatt Committee's report are quite as revolutionary. Its function was to devise plans for post-war building development. The report recommends that the Government arrogate to itself functions now performed by realtors. It also sets in motion the first steps looking to the nationalization of the land.

This subcommittee, like all the others, assumes that state control in Britain has come to stay.

The Uthwatt Committee recommends that the right to develop all land outside built-up areas be taken away from the present owners and vested in the State. The owners would be compensated but only when the land is actually taken for development and only on the basis of its value in March, 1939. It makes no general provision for the fact that prices of other things have gone up since the war.

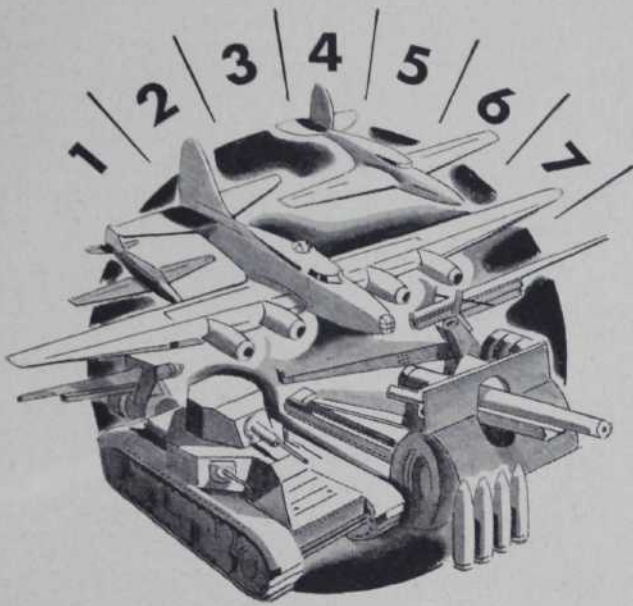
The vesting of such rights of development in the State would be ensured by prohibiting any development that did not have state consent. No longer would the Englishman be able to build a dream cottage for his old age in any spot in England except by permission of a Whitehall bureaucrat.

On the other hand, the landowner



"Better yell to him to whistle. We're coming to some grade crossings."

INDUSTRY IS ON AN EIGHT-DAY WEEK



Seven days a week America is doing one of the greatest jobs of production the world has ever known. We are living with one part of that job here at Alcoa, where over seventy thousand men and women are producing Aluminum in quantities that were mere fantasy yesterday.

But there's an eighth day tucked in among the few open spaces in the seven-day week. Engineers are able to squeeze in some important Imagineering about post-war products—planning that will help convert war jobs into peace jobs.

For instance:

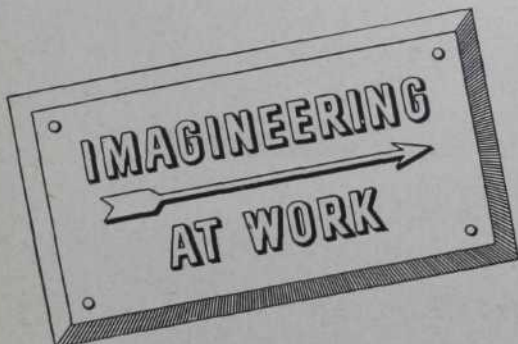
Imagine what 1,000 pounds less weight in the automobile of the future would mean in performance, gas economy and tire life. Then engineer it down

to the realization that 1,000 pounds *can* be taken off by using, say, 500 pounds of Aluminum per car.

Now translate possibilities such as these into your own business.

Aluminum costs less today. New methods, techniques, processes, and new forms of metal coming out of the war effort will all be available for the as-yet-untold possibilities in tomorrow's peacetime products and peacetime services.

Our eighth day is devoted to helping Imagineers throughout industry use the potentialities of Alcoa Aluminum in bettering the new ideas they are dreaming up. ALUMINUM COMPANY OF AMERICA, 2125 Gulf Building, Pittsburgh, Pennsylvania.



ALCOA ALUMINUM



The O. P. A. Lifts the Lid

(Continued from page 27)

age grocer will have to make only hasty computations to arrive at his new ceiling price and to make a note of this for record purposes.

Three: To simplify enforcement of

a grocer's March ceiling was abnormally low. Increases will vary from store to store, but none will be large. It is possible that your storekeeper may mark his ceiling price up more than once if his net costs for an item increase



"If you think any increase is too great, speak to your merchant about it... He must keep a record of every price"

O.P.A. rulings in the retail food field. It can be seen readily that an inspector can check easily any price in any retail store included in the order simply by obtaining the store's invoices, adding the percentage allowed for the particular commodity, and comparing this with the price charged.

More foods will be stocked

EXPLAINING both probable results and expected advantages, Mr. Henderson said:

"This action was taken to permit certain essential foods to flow through wholesale and retail channels to the consuming public. Many stores have been unable to restock these items because increases in costs at the growing and processing levels have meant that neither the wholesaler nor retailer could stock and sell the goods under his March ceiling prices.

"Even though this regulation will result in a rise in certain food prices in many stores, it now makes it possible for the average housewife to buy many of these foods more cheaply than if she were compelled to shop for them only in stores with ceiling prices so high that they could continue to carry them.

"This regulation applies to a limited group of foods—not all foods. This means that your grocer can apply new ceilings only on the listed foods, not others.

"Not every item in these groups will be marked up, either—only those where

again during the adjustment period.

"If you think any increase is too great, speak to him about it; ask him to tell you how he arrived at that figure. Remember, too, that he must keep a record of every new ceiling price, together with his general list of ceiling prices, and you can ask to see this record at any time.

"If you are convinced after examining his records that he is charging more than his legal ceiling should be, write to your War Price and Rationing Board, giving complete details. Remember, your cost of living and your neighbor's are vital to the war effort. You can help in our national battle against rising prices and the danger of inflation by refusing to pay more than the legal ceiling. It is... your duty to shop only in those stores which are displaying their ceiling prices."

Explaining why there were several types of mark-ups given, O.P.A. said that food prices always have varied as to class of store, location and volume of business.

(Not mentioned was efficiency of management.) Relief made available by the new formula will raise the ceilings of only the hardest-pressed distributors, but it is available to every classification. Many stores, like many wholesale houses, were selling these 14 products during March on the basis of average inventories accumulated months previously at lower prices. As these inventories have been depleted, many distributors—squeezed between a low ceiling and a high replacement cost—simply quit buying.

The difference between "high" and "low" March ceilings depends to a great extent on several factors, O.P.A. says. Some stores average inventories and pass the benefits of low-priced buys on to the consumer. They naturally had low March ceilings. Other stores mark up their retail prices to keep pace with increases at the wholesale level, regardless of inventory on hand. Such stores obviously had higher March ceilings.

Prices still must be posted

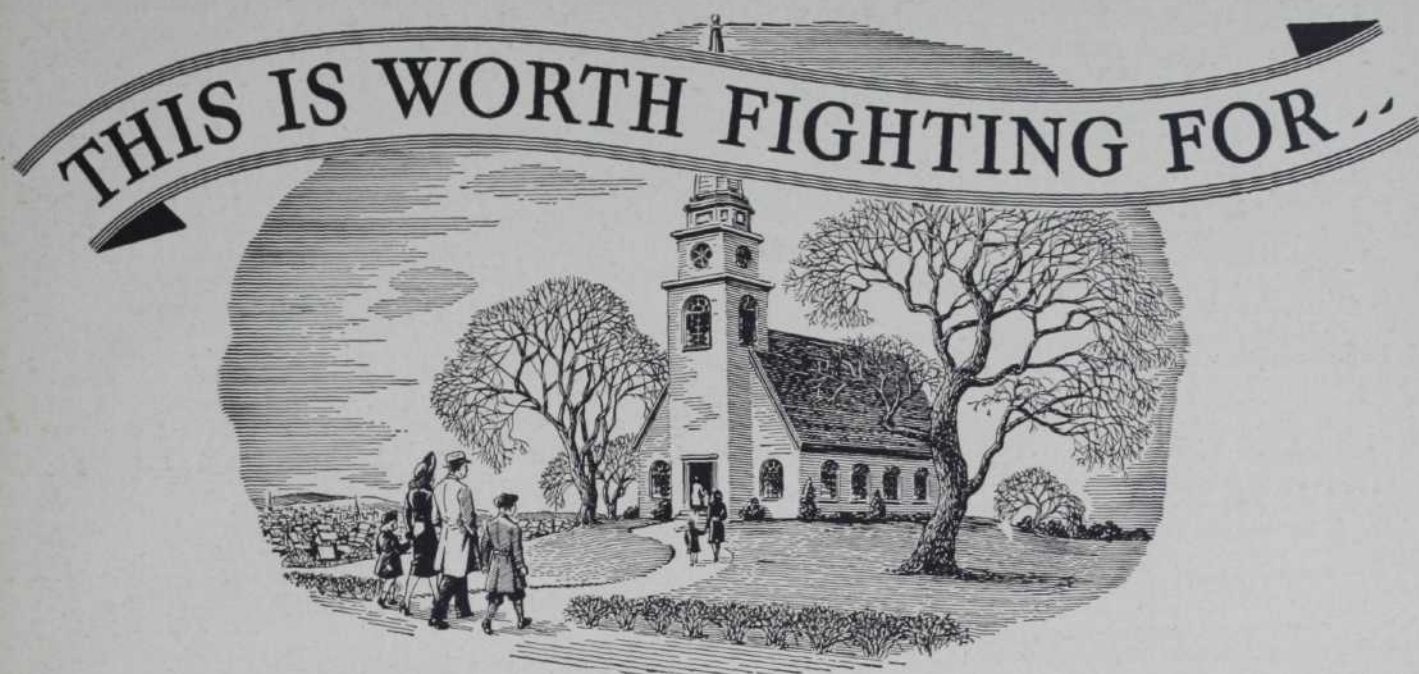
BOTH the wholesale and retail regulations require that no sales may be made at a price adjusted under the new formula until the seller has filled out an official report form listing the product, net cost, allowed mark-up, old ceiling price and new ceiling price, and has posted the new ceiling price in a place plainly visible to the shopper. However, the retailer may begin selling before filing these recorded prices with the O.P.A. War Price and Rationing Boards.

The seller must keep the forms up-to-date and retain them until official O.P.A. filing dates—December 1-10 for wholesalers and January 1-10 for retailers. Wholesalers must file with their state or district O.P.A. office, retailers with their local War Price and Rationing Boards.

Food industry representatives have



"We learned that 'costs' aren't 'costs' in O.P.A. rulings"



The right to worship as we please

THE CHURCH, to the enemies of America, is a monstrosity to be destroyed. They would padlock its doors and send our children goose-stepping in search of new gods. They would substitute pagan rites for the simple, sustaining beauty of our commemoration of the birth of Christ.

So today America is at war—a war we're going to win. We are determined that our church bells will never be stilled; that every American shall have freedom to worship God in his own way; that Christmas and the spirit of Christmas shall live.

That is the solemn pledge of fighting Americans on the war fronts. That is the solemn pledge of working Americans on the home front. That is the solemn pledge of the Southern Railway System and its officers and employees. To its fulfillment we have dedicated all of our transportation services and facilities, gratefully putting war transportation needs ahead of every other transportation need.

This year, we have carried about two million men in uniform; almost one million in 3,366 special trains; another half million in 13,174 extra cars on regular trains; and still another half million traveling on the low furlough fares granted to all members of Uncle Sam's armed forces.

This year, we have operated 1,592 extra sections of our regular trains, to take care of overflow crowds.

This year, we have handled more tons of freight than we ever handled in all our half-century of service. We have done the job so smoothly and so efficiently as to bring the highest praise from government and army officers, for most of this huge tonnage is war freight.

Above all, we have kept plugging away, day and night, to fulfill the railroad industry's solemn pledge "to meet to the full the demands of commerce and the needs of national defense."

So far we have met these needs "to the full." And we will continue to meet them to the full—if they can be met by the ultimate in devotion, courage, resourcefulness and human strength. For we know that the world will enter upon a happier and a brighter era when Victory comes—an era in which there will be a new concept of the majesty of the soul and the real meaning of "peace, good will toward men."

That is worth fighting for!

Ernest E. Harris

President.

SOUTHERN RAILWAY SYSTEM

THE SOUTHERN SERVES THE SOUTH

raised many questions about the new formula. For example, in setting a percentage mark-up for all stores in certain classes O.P.A. is overlooking the fact that many stores are operated efficiently and many aren't. These percentages naturally work to the benefit of the more efficient.

Furthermore, although the formula permits both independent wholesalers and retailers to add a mark-up on the foods they handle, chain groups and large independents who have for years been performing the functions of the wholesaler add only one mark-up, which is lower than the independent's mark-up alone!

O.P.A. answers this by saying that the chains have never included a wholesale mark-up in their price policies and that the overall mark-ups were determined after careful surveys of the field, in which an "average" fair mark-up for all chains was evolved, taking into consideration their mark-ups of this and past years. (This is only partly true, because many chains have added five per cent or less for wholesale functions performed.)

Merchants took issue

INDUSTRY representatives in preliminary O.P.A. conferences on the new formula took issue immediately both with the idea of O.P.A. setting percentages for all stores and with the percentages announced.

These representatives pointed out that the margins were too low and that, if such mark-ups became general, service stores (which feature delivery and other services) would be driven first into the cash-and-carry business—and, eventually, into bankruptcy.

"Whether you like it or not, gentlemen, a man still must make a fair profit to stay in business," one of these representatives said.

A. C. Hoffman, director of O.P.A.'s food price division, who announced the new formula, commented with some heat that "I'd be more impressed if there were more red ink in the grocery industry as a whole." He said that the industry's financial position this year seems to be as strong as ever.

O.P.A. officials generally, in conversations, leave the impression that they think the financial position of the various branches of the food industry, retailing particularly, permits experiments with ideas that would not be pertinent if the industry were in a "weak" financial position.

Another question that arises as a result of study of the percentage-formula regulations is this: Why were labor-costs incurred in packaging goods purchased in bulk by large independents, wholesalers and chain stores ruled out in the price of the goods under consideration?

O.P.A. answers that this question was not considered simply because it was "overlooked." Industry spokesmen themselves, they say, did not bring it up. However, at the same time, the spokesmen pointed out that costs of packaging and processing of coffee bought in bulk were allowed.

Just how this may affect a retailer

who processes bulk goods may be readily seen:

Retailer A buys a ton of prunes costing (for simplicity's sake) \$100, and has to pay \$20 to have them cleaned and packaged in his warehouse. He can still add a mark-up of 27 per cent to the \$100, but not to the \$120.

Meantime, Retailer B buys a ton of packaged prunes for \$120. He can add his 27 per cent mark-up to the \$120.

Retailer A's gross profit would be \$7.00. Retailer B would make \$32.40, to be exact.

If a retailer sells many prunes, the difference in the long run would be considerable.

"Costs" has funny definitions

JUST why coffee was considered on this point, but prunes and other items were not, was not made clear in spite of the angle that they were "overlooked" by industry representatives themselves. Industry representatives, as a matter of fact, say that these points were not overlooked:

"We never could determine in the pre-announcement conferences, what was meant by 'costs' in the new rulings," the representatives say. "We hoped that 'costs' meant costs of the foods laid down at the retail door—as it does in reality—but we were amazed to learn that 'costs' could mean only the 'costs' designated by O.P.A., which seems to want to overlook some very real ones."

Second, this new formula will likely encourage retailers to seek higher-priced commodities in the food groups affected, since it is obvious that the higher the price to them, the greater their gross profit.

O.P.A. emphasizes that these are not "hoped for" results. Food industry representatives themselves say that these factors are not the result of the principle of simplicity ostensibly motivating the men who evolved the formula, but come about because of ambiguity in the language and arbitrary interpretations of the new regulations by O.P.A. attorneys, who are not familiar with problems in the food industry.

Volume must be considered

THE larger independents in Class V (\$250,000 or more volume annually) and the chain stores say it is obviously unjust to commit them to low profit margins in view of the fact that these small margins are based on heavy volume, which scarcities will likely decrease.

O.P.A. spokesmen have two replies: "We can't cross the bridge of decreasing volume until we come to it. These regulations are for today and if, in six months, some flexibility is needed in the percentages, we will consider that situation."

"Just look at the overall profits of the chains and the big independents and quit worrying about them. If they lose on these 11 items—as they won't—many of them would have suffered long ago, since they had more loss-leaders two years ago than 11."

A provision of the new regulation

setting May 11, 1942, as the period from which retailers can compute the percentages on goods purchased may cause trouble for some retailers who have goods bought before that date.

For example, one large retailer reports that he has several tons of dried apples, bought more than a year ago. He tried to learn from O.P.A. whether or not he could use last year's price in computing his sales price, or should he use the cost price of the apples in May?

He hasn't been answered yet.

Further complicating the problem of dried fruits is the fact that they were "frozen" at the processing level by order of the War Production Board on August 10, and that the only ones available—in some cases—for the retail trade now are in warehouses, or in retail outlets.

Should the mark-up be on the price of the fruits when bought, when the freeze order went into effect, or when the new O.P.A. formula took effect?

Further complicating the new rule is the fact that O.P.A. attorneys have never defined the word "purchase." Retailers would like to know if, for instance, sending a wire to a wholesaler and ordering goods which he does not have is a "purchase." Would they be bound to set their new prices on the basis of the price in effect when the order was given, or when it was delivered?

In the case of many agricultural products, ceiling prices at the processor level have been raised since orders were sent in.

If the "purchases" went into effect at the time the processor received the order, although he had no goods to sell at the time, the final price at retail level would be lower when delivery was finally made.

Seek old mark-ups

RETAIL representatives in Washington, convinced that the new method of arriving at prices is to be extended, are demanding, as a group, that retail stores of all kinds be given ceiling prices that will allow them their traditional mark-up.

"This would not be as inflationary as it sounds," they say. "In reality, it would amount to 'parity' for the grocer, the dry goods store, and all the other thousands of retailers, as well as for the farmer and the laborer."

"Granted that the Government wants retailers to stay in business, then they must operate at a profit."

"Mr. Hoffman, present director of the Food Price Division, O.P.A., wrote as recently as 1940 these words: 'It is evident from the profit margins (of retail stores) that earnings do not represent a very large part of the margin between farmer and consumer. . . . Obviously, the total marketing spread would not be reduced greatly even by the complete elimination of all earnings to capital invested in food enterprises.'"

"If that was true then, certainly it is no less true now, because profits (after taxes) have fallen. It would increase the cost of living about one per cent for retailers to have parity."

"Justice demands it for them."

A NATION WITHOUT CIVILIANS!

AS America grasps the true meaning of total war the term "civilian," as it was once understood, becomes increasingly empty. Virtually everyone in the nation plays some part in keeping America going—a vital factor in achieving victory.

In this effort, loss to anyone is loss to all. Loss by fire is especially serious since the resulting damage is in man-power, machine-power, materials, or all three. We can afford to squander

none of these war essentials.

Thus America at war has an obligation to take every possible precaution against the outbreak of fire in any instance; further, to see that all property is adequately insured. These wise and necessary precautions will help importantly to keep America "in there punching" until the Axis is vanquished for all time.

All of us should bear in mind the urgent obligation:

Be EXTRA Careful about Fires.

☆ THE HOME ☆
Insurance Company
NEW YORK

FIRE ★ AUTOMOBILE ★ MARINE INSURANCE

No Business

Can Escape Change...

**BUSINESS constantly brings out
new products and new less critical
materials for making old ones**

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

1 • TAPERED paint brush bristles are now being made from a synthetic. Quality compares well with the best Oriental hog bristles and they have resilience, toughness, and inertness to paint ingredients.

2 • AIR-RAID warning can be given by special apparatus developed for use on carrier currents superimposed on regular house current. Yellow, blue, red, and white signals may be sent from the power station and received on any unit plugged into the house circuit or audible signals may be sent.

3 • A LINOLEUM is now made that is non-sparking from static electricity yet provides adequate protection against accidental grounding from service voltages. It was produced especially for use where solvent vapors, dust, or powder may give explosive mixtures.

4 • A NOVEL utility machine for tractors works as a bulldozer or as a clam shovel. In addition to regular cut and fill work, it will remove stumps and boulders. Capacities from one to four cubic yards, it is hydraulically controlled from the driver's seat.

5 • RUBBER V-belts that give more service with greater strength and less stretch are now being made with endless steel cords instead of fabric or cord interior construction.

6 • ZINC is now electro-plated on sheet steel as a substitute in many uses for nickel, tin, and other coating metals. The coating is highly resistant to corrosion and withstands stamping and other fabricating operations.

7 • A SYNTHETIC resin is now being used to make a yarn with elastic properties. It can be used to make a number of articles formerly made of rubber and in resistance to sunlight, body acids, and humidity it is superior to rubber.

8 • A NEW respirator for filtering dust is made of plastic to give less resistance to breathing combined with better vision. It is unaffected by perspiration, is easily cleaned, has easily replaceable filters.

9 • A LOW power flexible electrical heating element is now made which can be furnished in almost any required length. It operates up to 750 degrees Fahrenheit, is wound on a fiber glass core and protected by a braided glass covering. Flexibility is sufficient to permit it to be fitted snugly into tight spots.

10 • ALCOHOL and many other flammable liquid fires are easily extinguished by a new powder carried in a water stream. It floats on the lightest liquid surface and makes an airtight blanketing foam.

11 • ZINC-COATED steel bases are now being made for fluorescent lamps of some sizes to give positive protection against rust.

12 • A NEW compound is said to give better antifogging results for safety goggle lenses for workers in steamy surroundings. Available in pencil form, the pencil itself is said to be long-lasting.

13 • AN ODORLESS deodorant is now made in powder form. In use it is simply spread over the points where the odors originate such as animal cages, dank basements, barns, or other places. It is harmless to animals and to vegetation but can be washed up if desired.

14 • CHRISTMAS cards are now being made with war stamp book enclosures so that they may be used as Christmas cards combined with a practical gift.

15 • FOR emergency pumping, especially firefighting on shipboard, there is a new self-priming gasoline pump driven by an air-cooled engine that delivers 50 gallons a minute against 70 pounds pressure. It is particularly timely when power systems are out of service.

16 • A CONVEYOR belt of great strength combined with flexibility is now made with a carcass of steel cables. The extra strength with normal thickness and flexibility permits greater troughing and more capacity.

17 • A HYDRAULIC test bench that can be wheeled about to make pre-flight checks of planes' hydraulic equipment without running the plane motors is now made. It can also be used to pump hydraulic fluid into or out of the plane.

18 • A NEW type airplane hangar is made entirely of plywood and laminated wood. It can be prefabricated to save erection time, is arch-shaped, quite strong.

19 • FOR women welders there is now made flame proof clothing of a treated fabric similar to terry cloth. Appearance and texture are not affected by the treatment.

20 • ALSO for women welders there are tailored leather garments for protection without the usual shapeless look.

21 • A SUBSTITUTE for corrugated steel sheets is now made from felt saturated with high melting point bituminous resins. They are rigid, light-weight, moisture-proof.



22 • A new small-sized ambulance for use in narrow factory aisles or other places not accessible to a full-sized ambulance is made of a motor scooter with a side car fitted with a covered stretcher six feet eight inches long. The unit carries the driver, an attendant, and one patient. It can also be used as a luggage carrier.

—W. L. HAMMER

EDITOR'S NOTE—This material is gathered from the many sources to which NATION'S BUSINESS has access and from the flow of business news into our offices in Washington. Further information on any of these items can be had by writing us.

History Should Show Them

APPARENTLY dictators don't read the right kind of history. Before Hitler marched into Russia, for instance, he probably studied Napoleon's campaign and knew exactly what mistakes he could avoid. But, one wonders if he read the complaint of the French soldiers:

"It isn't enough to kill a Russian," they said. "You have to push him before he will fall down."

German soldiers today are meeting that same Russian characteristic.

We convert arms-making

HITLER knew, too, that America had no armament industry. But he apparently didn't realize how quickly a southern casket manufacturer could turn to making tanks, shells, airplane landing field mats and parts of "naval escort" vessels, or how soon a New York button manufacturer could convert to shell production. He should have known that, too. It's the American way of fighting and has been since 1776 when Roger Merrill, a Massachusetts baker, converted his bread oven into furnaces in which he melted down scrap metal for cannon balls.

In New York City, Wilber Marksman, carriage maker for the exclusive trade only, turned caisson maker and, when the British occupied New York in September 1776, he fled with most of his working people and much of his equipment to New Jersey and later to Pennsylvania, where he carried on.

Jack Forrest of Maryland was a cabinet maker specializing in fine tables. With the revolution, he turned his genius to the manufacture of rifle stocks. There were others.

In 1812, Martin Brooks, a simple Maine handyman with no education or particular talents, invented an assembly-line scheme which upped by several hundred per cent the production of ammunition cases.

Martin Walsh of New Hampshire who had been building small pleasure sailing yachts for the rich found he could build speedy patrol vessels capable of mounting a small cannon.

The Civil War found Virginia's Isaac Lewis making pistols for the Confederacy with machinery that had once made music boxes.

On the Union side Ellery Rhodes of New York, who had been making plows, manufactured steel plating for the new iron-clads.

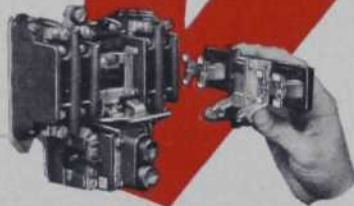
True, we had no armament industry. We had, instead, ingenuity and an American tradition.

—SIMPSON M. RITTER.



VERTICAL CONTACT MOTOR CONTROL

Now more important than ever as
America makes unprecedented demands
on motorized machines



● Under today's pressure of all-out production many executives are discovering important facts about their plant equipment never so clearly revealed during less strenuous operation. This is focusing new attention on the performance of Motor Control ... on the real merit and basic value of Cutler-Hammer's vertical contact construction, the simple but effective engineering idea of designing Motor Control contacts to operate in a vertical position so they do not collect dust and grime which interferes with their proper performance. No man

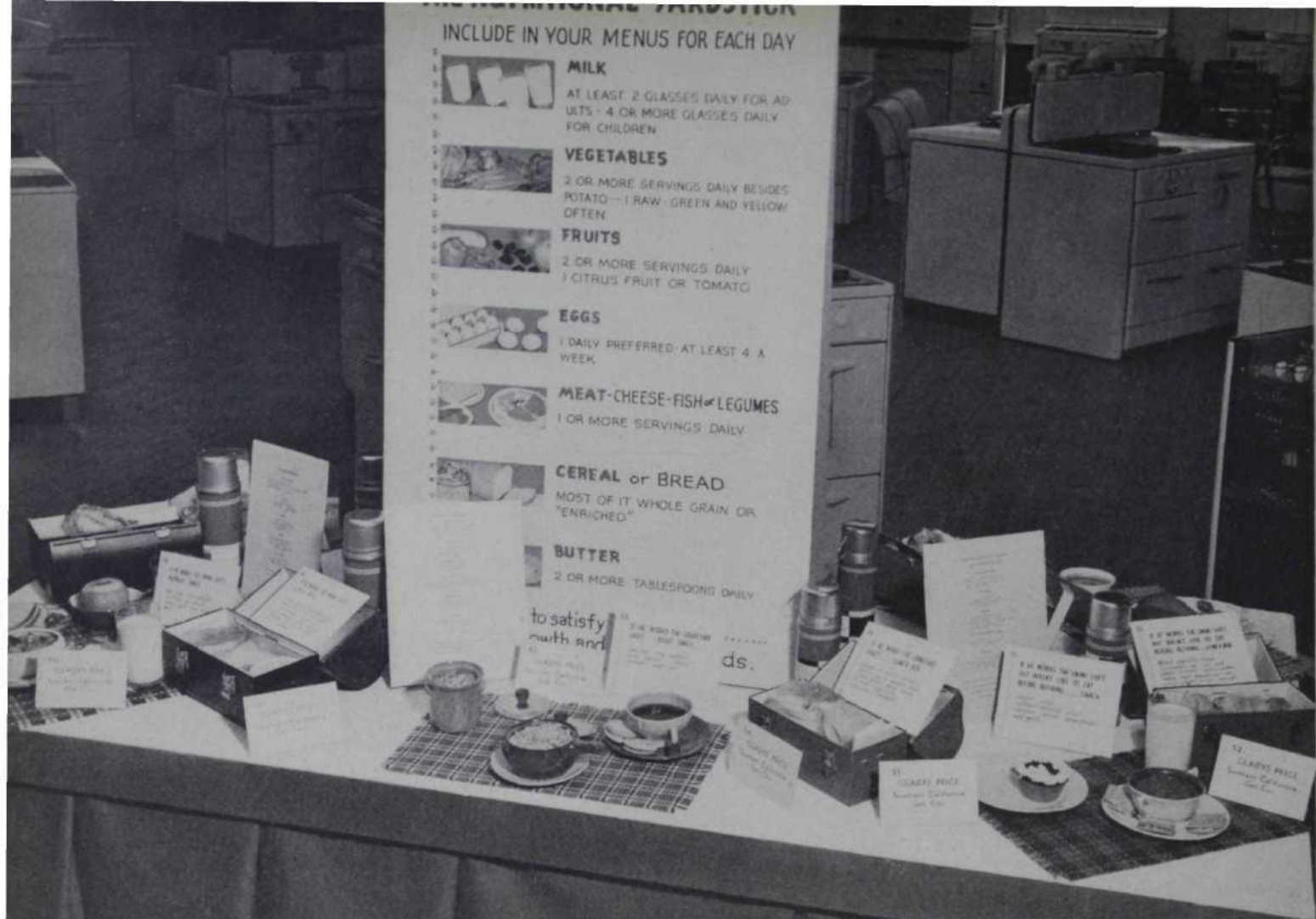
Copyright, 1942, Cutler-Hammer, Inc.

need be told that dirty, sticky Motor Control contacts mean trouble, interruptions to production, waste of all-important time and manpower, needless maintenance expense. These are not times to take chances. Utmost dependability is now more than a mere matter of dollar savings. Specify Motor Control by name. Insist on Cutler-Hammer Vertical Contact Motor Control and see the difference. CUTLER-HAMMER, Inc. 1251 St. Paul Avenue, Milwaukee, Wisconsin. Associate: Canadian Cutler-Hammer, Ltd., Toronto, Ontario.



1892-1942

50TH ANNIVERSARY



A few of the 200 entries that the women jurors considered

Blitzkrieg Against Hunger

By CLARENCE M. LINDSAY

WIVES of industrial workers kept calling Mary Counselor, director of the Industrial Housing Center, Barker Brothers Corporation, Los Angeles. Their husbands, working odd hours in the 24 hour war production schedule, carried lunch boxes, and their wives had to pack those boxes every day with food that was healthful, sustaining, compact and not too repetitious.

Furthermore, many children, returning to school, also carried their lunches. The same women frequently had to prepare these.

The job was taxing their ingenuity. Some of them decided to take the problem to Miss Counselor.

"Couldn't she do something?"

She could.

She held a "Lunch Box Derby."

First step was to invite professional

SINCE modern armies also march on workers' stomachs, it is important to increase the fire power of the lunch box. In Los Angeles they did that

home economists of Southern California to submit nutritionally correct lunches as entries. Result was 200 lunch box displays, including midnight snacks for swing shift workers, box lunches for graveyard shift workers, food for those who liked to eat before they went to bed—and those who didn't.

Cost of lunch displayed was not to exceed 30 cents.

The Aircraft Women's Club selected wives of 12 industrial workers to act as a jury, each selecting what she regarded as the 12 most usable lunches.

Their choices were turned over to the National Nutrition Association.

Entries were displayed for two days, viewed by almost 16,000 persons, many of them women who spent several hours taking notes. Others interested included Cal-Tech University, Merchants and Manufacturers Association, the public relations departments of several plants and dietitians and food experts.

Today fewer men open their lunch boxes and exclaim:

"What! Ham sandwiches and apple pie—again?"



Mrs. Songer's business is spider silk

PHOTOS BY PAUL DORSEY

LET MOST any woman discover a common spider in her living room, and she will grab the handiest weapon with which to alter its status to ex-spider. Should the intruder be a Black Widow, the woman can be expected to dramatize for friends her perilous brush with poisonous death.

"Most any woman," however, does not apply to Mrs. Nan Songer of Yucaipa, Calif.

She sells spider silk to manufacturers of aerial bomb sights and telescopic rifle sights. They employ it to form cross hairs in aiming devices.

Here's how Mrs. Songer operates: Gripping one of its eight legs with tweezers, she transfers a spider from glass home to workbench, which is a circular section of yucca plant. She uses yucca because its surface is pithy, and she can make certain her employee will stay put by clamping it down, between the prongs of a hairpin. The spider sits there, with its business end (which is where its tail would be if it had a tail) toward the boss. It is ready to go to work as soon as Mrs. Songer touches a needle to its spinning holes, which are called spinnerets. The average spider has six such outlets. The silk comes from microscopic glands in the creature's abdomen, and is liquid until it emerges into air.

Attaching the thread to a steel frame, which resembles a mammoth hairpin, Mrs. Songer reels in (or out, from the spider's standpoint) the silk. The frame, shellacked so the thread will stick to it, is

Black Widow Spiders Aid Sharpshooters

turned round and round until 54 turns have been made, and the holder is covered. Twelve such frames accommodate 100 feet of thread, and any spider easily yields that amount in an hour. Mrs. Songer never has silked one dry. Nor has she ever been bitten.

For 12 frames of split thread (100 feet), she receives \$15; non-split silk brings \$10. By dozen lots, the frames are packed in specially-built containers for shipping, and the manufacturer returns the empties.

Makers of surveying sights prefer a comparatively coarse silk, and that's where the Black Widow shines. Its thread is several times heavier and stronger than the average.

Quality of silk varies according to its producer's age, sex and family. A good medium-weight thread is about 15/100,000 inch in diameter. But for use in extremely sensitive instruments, the silk must be reeled from week-old babies. All but invisible, it measures 500,000 thicknesses to the inch.



Black Widow is handled with tweezers. None has ever bitten her. Note fly to hold spider interest for camera man

Before a spider is to be reeled, Mrs. Songer puts it on a two-day fast to minimize impurities in its silk. Having produced its 100 feet, it is allowed to rest for two days. As a general rule, Mrs. Songer liberates a spider after working it five times.

She considers furnishing food for the silk-makers her most difficult task. A spider's mouth is so constructed that it will accept only liquids. It demands living or freshly-killed meals, and sucks the juices of its victims. She is forever catching flies, crickets, grasshoppers, and gnats for the babies. Since all spiders are cannibalistic, each must be kept in a separate jar.—RICHARD HANNAH

Japan's "Divine" Mission

(Continued from page 22)

conditions. The Japanese civilization, as it developed before Commodore Perry "opened the door," was an economy of scarcity developed as an adjustment to the lack of wealth and space.

The masses of the people had never heard of the profit-motive, or of individual initiative. They used practically no money, did not own material possessions, adjusted to extremely crowded conditions by the rigid discipline of a ritualistic etiquette, and had no freedom either of movement or thought. These conditions still persist for the vast majority of Japanese.

In creating "modern" Japan the leaders faced a dilemma. They had to compete with nations already well advanced. The Japanese islands were poor in practically every raw material necessary for modern industrial and military production. The only real natural resource Japan had was the character of the people, her social organization that made the individual subservient to the family and State; and the deep reverence of the people for their Mythology, their Sun Goddess, and their divine Emperor.

The leaders had to westernize both methods of production and social institutions, at least enough to compete efficiently with the West, and to convince the West that Japan was a "modern" nation and could, therefore, be accepted as an independent sovereign power. At the same time, however, it was necessary not to disturb the basic Japanese character, or the traditional economies and restraints.

Adopted modern techniques

THEY managed this by using western techniques but retaining Japanese ideas. They took over western machines and mass production in a few key industries (notably heavy industry, and textiles). They took over western weapons of war and organization for a modern army and navy. They took over the organization of a western-looking compulsory educational system, and a Parliamentary form of government. To a great extent, however, this westernization was only a smoke-screen behind which the people could continue to live and think and obey as they had "since time immemorial."

How this "modern" Japan works is best demonstrated by the way their modern educational system has served the ends of industry. All the children must go to school for six years of primary education. The buildings are usually modern, and the school children wear western-style uniforms. For the girls, however, the important lessons are called "Ethics" and "History." These courses teach "character-building," and Mythology. They explain that Japan is governed by a Divine Emperor who is descended from the Sun Goddess. They teach that every Japanese belongs absolutely to the Emperor. They explain

that the little girls belong absolutely to their fathers; that their place in life is to be "obedient daughters, good wives, and wise mothers." They teach that the Japanese does not need money for himself because the Japanese is not a materialist; they teach that the Japanese virtues are frugality, loyalty and obedience.

Competition by cheap labor

THE combination of such Japanese ideas with western machines and large-scale organization enabled the textile industry to forge ahead against stiff international competition. In the large-scale export textile industry, some 83 per cent of the operatives are young women between the ages of 16 and 23, most of whom have had no education beyond the primary school. Their fathers contract them to the mill and usually receive an advance payment that comes out of wages. Most of the girls' infinitesimal wages are sent to their families. They live in dormitories, eat in the mill dining-room, pay for their board and lodging, and never go outside the mill, except for the annual picnic with their fellow-workers. They work for three or four years and then return home to marry the men their families have chosen for them.

In the best mills there are classes that keep them busy in all their free time—classes that range from etiquette, flower arrangement, and tea ceremony to "Knowledge of National Affairs" and "Ethics"—these courses being the familiar ones that teach the duty of a Japanese woman to be frugal, industrious and obedient. Through all this, the vast majority show not the slightest rebellion. It is the Japanese Way—it is all they know about—and they accept their lives as people everywhere accept what is habitual and approved by their society.

Anyone who knows anything about Japan must spot at once the weakness of European totalitarianism compared with the Japanese system. German Labor has known better days. It has had higher wages, better food, organizations with considerable power in industry and politics. Japanese labor as a whole has never freed itself from the traditional standard of low wages, and "paternalism" rather than rights. Men workers get double the wages of women on similar jobs but those wages are still subsistence living for their families.

Their hours are long—11 is common—although the pace is much slower than in America. Labor unions have no legal existence. At the height of labor activity—after the First World War—only ten per cent of industrial workers were organized into unions—and most of these were not unions in the American understanding of the term. They were "self-help" organizations to give mutual aid in times of illness and so on.

The Japanese "universal suffrage" and the Parliamentary system will equally

not bear comparison with our ideas of popular government. The two major parties—now abolished—were controlled by the biggest Big-Business families. Votes were bought, *en bloc*, by brokers and delivered to the highest bidder. It has never been possible, in Japan, for labor, or people in general to put direct pressure on the Government. There never has been any legal political method of influencing either domestic or foreign policy. Reforms, if any, must be initiated from the top, and the only way mass unrest can show itself effectively is by violence. Political assassinations have been a feature of Japan's modern history.

But, although the Japanese masses are neither energetic nor ambitious, their leaders are otherwise. Modern Japan was born out of revolution under the threat of foreign invasion, under conditions that demanded aggressive leadership. Japanese pre-modern society strictly regimented everybody, both high and low, and prohibited all energetic activities, either mental or physical. Perry's coming caused a revolution that resulted in a change of rulers.

The new rulers were men of energy and will of the sort that had been stifled under the old regime. They set up the new Japan, using the institutions of the West to create an industrial and military machine. The government of modern Japan has been in the hands of two cliques, one dominated by the new industrial-financial power, the other by the military. Throughout the modern period these leaders have carried on a tug-of-war for control of national policy behind the front of rule by the Divine Emperor.

Two means for the same end

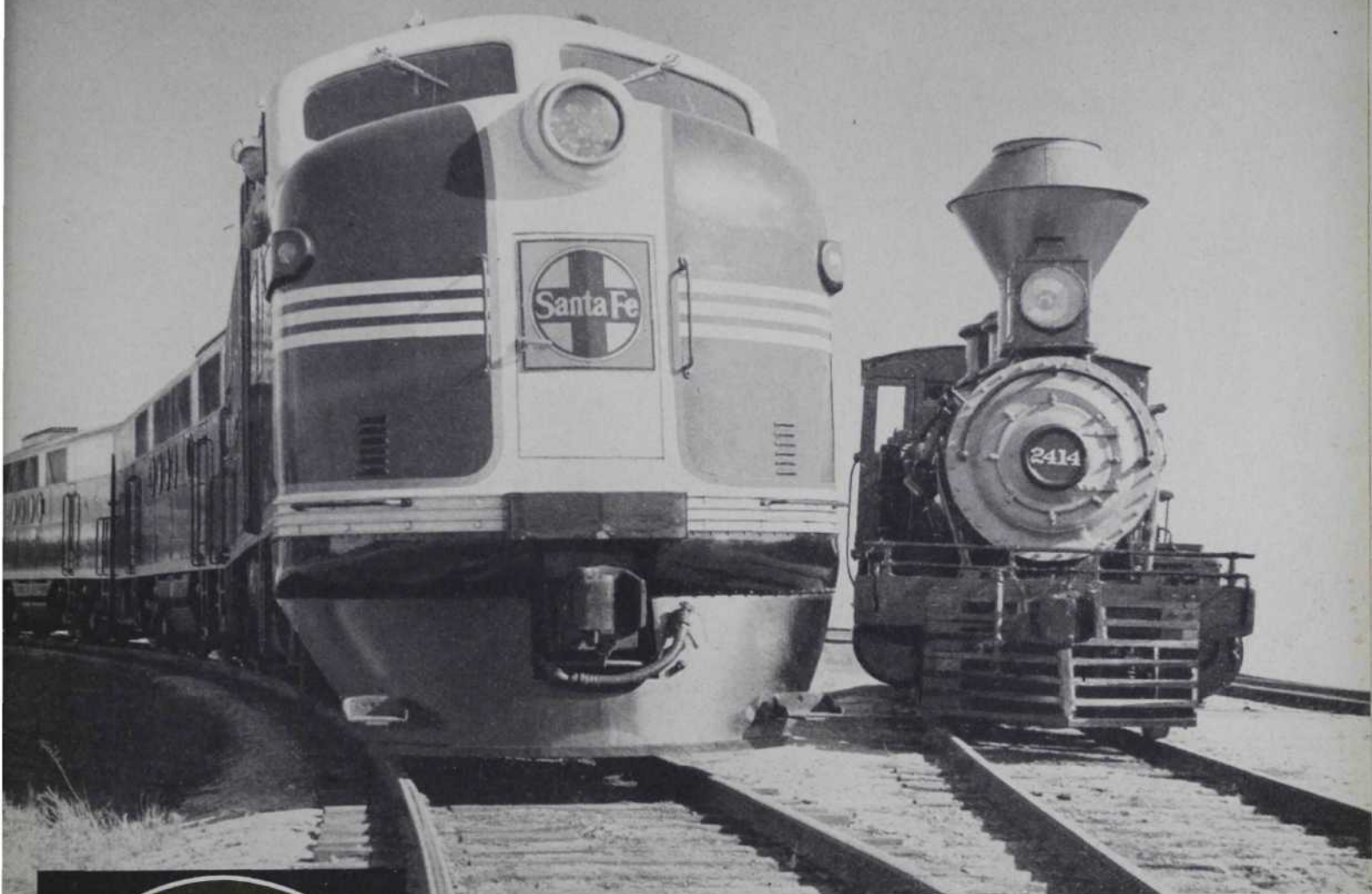
THE two cliques—very different in psychology and point of view—were united in a determination to maintain the sovereignty of Japan and hold their own among the Great Powers. They disagreed, however, as to how this could best be done. The clique dominated by the great family-corporations, of whom Mitsui and Mitsubishi are the most important, naturally put their emphasis on commerce and finance. Their concern with foreign trade guided their domestic policy. They used the Diet to enforce cartels for buying raw materials, juggling the gold standard, lowering their own taxes and so on.

They tried to make the best of both worlds by introducing western industrial and commercial techniques while simultaneously trying to exclude such western ideas as high wages, an independent labor movement, or freedom for the individual. In foreign affairs they backed the "conciliatory policy." Realizing Japan's extreme dependence on British and American sources for raw materials and markets, they have attempted to keep the army's activities in the background, using them only as a pressure group in their international bargaining. They agreed with the Military that there must be a close relationship with China, but they believed they could accomplish this by financial, economic, and political penetration.

The Military, largely of peasant ori-

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NEW YORK — CHICAGO — SHREVEPORT

gin, were ignorant of finance, commerce and diplomacy. They distrusted such things. They were as much afraid of financial or commercial domination by some foreign power as a military domination. They said that their business leaders could not hope to compete with Westerners; that they did not have wealth enough to expand in China and, if they borrowed from the West, they would soon be dominated by western finance—as China was. They said that Japan was dangerously dependent on the western powers for markets and materials and that it was necessary to establish a strong China-Japan Bloc to secure Japan's rear. They said that, if they made loud, aggressive noises, talked about the Red menace in China, kept the army large, and looked continuously threatening, the Western powers—who respected force—would leave them alone.

Fanatics fear westernization

THE military leaders are narrowly fanatic nationalists. They have little understanding of the world outside Japan. They hated to see westernization coming into their country not only because, as peasants, they resented the encroachment of industry on the land, but because they said westernization destroyed the habits of frugality, the customs, loyalties and social controls that have given Japan her position in the world. They said that the creation of modern Japan had put too great a strain on the masses and that certain groups no longer had the security that was the right of every Japanese.

When all these arguments failed to persuade the business man's clique either to provide money for the new divisions they demanded, or to make appropriations for relief in certain depressed areas—they went into Manchuria. The Manchurian Incident led to Japan's withdrawal from the League of Nations. Fear of reprisals from the Western powers—in the form of boycott or blockade—led, in 1933, to the Emperor's declaration of a "State of Crisis." Since then both cliques of rulers have been hysterically preparing the people for war. They continuously state their loyalty to the Emperor in public demonstrations, while they bombard the people with propaganda explaining the Japanese viewpoint.

As the Japanese leaders explain it, their entire modern history has been a struggle to preserve their national sovereignty. They point out that they are the one "colored race" that has been able to achieve the status of Great Power in competition with the western nations, and they add ironically that they were accepted as such because they had proved they could use western weapons. The Manchurian Incident, they said, was a "defensive" move in their attempt to break through "encirclement," and to preserve the "life-lines" to markets and raw materials that were being everywhere threatened by quotas and tariffs.

They said that they had no quarrel with the Chinese people; that they wanted a close relationship with China on the basis of equality, but that China

was prevented from coming to terms with Japan by the activities of the British Imperialists on the one hand, and the Communists on the other. In China they were fighting, not only for their own national sovereignty, but also to free China. They said they were ready to die defending their sacred isles and proving that there was one colored race that the white races could not dominate. This propaganda was also directed at the Chinese.

And, as the Manchurian Incident developed into the China Incident, and finally merged with a World War, they increasingly spread their propaganda through the Near and Far East and the South Seas, calling for a Pan-Asia free of white domination; acclaiming their "Divine Mission" to free the "colored colonials" everywhere from the clutches of "white imperialism."

From the point of view of the majority of Americans, the Japanese propaganda is too absurd to bother about. Yet there is no question that the vast majority of the Japanese believe they are fighting for their national existence under great provocation. Nor is there any question that the modern age brought to Japan problems that could be solved effectively only through the disinterested offices of some international agency.

We are at war with Japan, and there are those among us who feel that today our job is to kill Japanese rather than to try to understand them. This might be sensible if only the Japanese were involved. However, this is a global war. There are millions of "colored colonials" in the Near and Far East and the islands of the South Seas who hear the Japanese propaganda. Most of them probably do not take Japanese leadership very seriously. The Japanese "Divine Mission" is only too obviously a rationalization of Japan's national fears and necessities; the "colored colonials" have little to expect from Japan.

Propaganda must be answered

NEVERTHELESS such propaganda is dangerous. Among the "colored colonials" are increasingly important groups who have long resented the white assumption of superiority. There are groups who at least think they desire to be independent. These are delighted to have the Japanese pulling their chestnuts out of the fire for them. And well they might be. We have tardily granted the Chinese freedom from extraterritoriality restrictions. We have been negotiating with them about this since 1926. Now it is 1942 and if the Chinese are free at last the Japanese can say it was they who accomplished it.

The Japanese propaganda is dangerous because it expresses an emotion that is widely held outside Japan; and is based on a description of world history that looks reasonably accurate from the point of view of large sections of the world. It poses questions for which we will have to have answers when we sit at the peace table to remake the world. We cannot have those answers if we refuse even to listen to the questions. As for those answers—unless we want to face a century of war and revolution—they had better be good.



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Money Does Grow on Trees

(Continued from page 50)

have looked upon their three-generation woodland as a business, first, last and always, and follow their father and grandfather in making it pay dividends, good times or bad. They have proved well what forest experts point out daily—that trees are a "crop," just like other farm produce, although requiring years instead of months to harvest.

Since 1840, the Morse family wood lot has been the economic backbone of the clan's prosperity. Elijah Morgan Morse started tree farming when he came down from Vermont, bought a 44-acre tract that straddled Winter's Run, a small stream at Coopstown, built a little water-powered mill, equipped it with an up-and-down saw and began to harvest his merchantable chestnut for cash to carry him until his other crops came in.

Still logging the same farm

ELIJAH'S grandsons still farm one hundred acres of farm produce, but selective logging and extended tree-planting by approved methods have expanded the "wood lot" to 182 acres and the old sawmill still runs. But it's not the one Elijah built. A fire and the march of time have replaced it with electrically-driven circular saws.

The wood lot is still the family's pride. From it came timber for the roomy, well-kept old house, the big barn, farm implements and even the mill's water wheel. It has been a source of constant income for the family since that day Elijah settled at Winter's Run.

Today, the forest thicket he found is a well kept woodland four times larger. Changed conditions and demands make the Morse stand half oak and half poplar now, whereas it was nearly filled with chestnut when Elijah settled there. Chestnut was a good crop until the blight threatened. They harvested the chestnut and planted poplar. Otherwise, the family never cuts a tree until it's ripe. Each tree is selected for manufacture into a specific product—and there are more uses for wood today than ever in history.

When prices are low, they cut just enough wood to meet overhead costs. When prices are high, they exercise the true farmer's restraint and do not cut young trees simply because there's a demand. They know there'll come another day. . . .

"It takes a lot of patience to be a tree farmer," they say.

Black gum and hickory, low value trees in the Coopstown area, are left until the Morses get an order that can be filled profitably. Then the woods are culled of the trees, at saw-wood prices. When they found rough white oaks on their stand, these were cut into convenient lengths, holed on the ends and sold as land-rollers.

"We made a nice profit," Nelson Morse says. "But the danged things never wear out."

In their sawmill, the Morses manufac-

ture high-grade oak into flooring. They cut low-grade logs into box shooks. During the depression, they made tomato boxes. Ever since Elijah's time, they have saved the finest boards for cabinet makers.

Professionals in the forest field today—and there are many, since the federal and state Governments have their "experts" on wood—say that Elijah Morgan Morse was a pioneer industrial and economic expert, as well as a shrewd farmer. He saw, far ahead of millions of farmers and many big lumber operators, that trees are a crop and that the logging of timber should be the intelligent harvest of woodland operated on a sustained-yield basis.

However, lumber company management did not sleep long. For years, private logging and lumber manufacturing companies, working individually and collectively, have been developing huge tree farms such as the one at Nisqually, Wash., where more than 7,000,000 seedlings are being cared for on a farm basis to perpetuate one of the nation's basic industries. This huge forest-farm,

If You're Planning to Become a Tree Farmer,

DON'T:

Invest a lot of money in the hopes of getting quick returns. It's a longtime business that takes a lot of patience.

Buy good land on which to plant a forest. Instead, use low-valued land.

Use your woodland for pasture land. Cut out all saplings because there's a big demand for that particular kind of wood. Remember, trees "grow board feet" and another day will come.

Make clearcuts in any part of your woods. Space your cuttings.

DO:

Consult an extension forester. There's one nearby.

Plant your tree seedlings on poor, unimproved, or eroded land.

Harvest all fire-scarred and injured trees.

Maintain natural sources of tree seeds by selective harvesting of woods.

Use care with fire and keep it out of your woods.

and others like it from coast to coast, is simply putting into practice Elijah Morse's ideas and growing enough trees each year to replace the ripe timber harvested.

Today, this program is far beyond the development stage and gives assur-

ance that the nation will never suffer from a lack of one of its most versatile raw materials—just plain wood, that can be transformed under the hands of the chemists into everything from plastic “glass you can see through” to super-bombs.

Community forests are not new, save in the fact that many have been started lately. Newington, N. H., began a community forest in 1710 and it's still going (and growing) strong. This little town's 110-acre forest, outside the limits, has supplied lumber for the village church, parsonage, town hall, schools and library.

During every depression, it has yielded wood for heating homes of the poor, as well as public buildings. Lately, it has been providing planks and timbers to replace steel for bridges.

Cash income from trees

RECORDS show this one community forest has made cash net income of more than \$4 an acre each year, besides the other benefits. Larger cities have established community forests to protect watersheds, while others use such forests to provide employment for those who need work, to improve hunting and fishing facilities, or for purposes of beautification.

Community forests require generally only small initial investments—“poor farms,” eroded land and acreage unprofitable for other uses being bought. Seedlings can be bought cheaply, or obtained free from any of a number of agencies.

City folks, particularly business men, are taking a greater individual interest in forests in view of the fact that trees are a natural resource that increase, rather than lose, value, no matter what type of monetary ideas prevail. A tree “grows board feet” every year, despite wars, depressions or scarcities.

Taxes and Insurance

SPECIAL taxes on insurance collected by the 48 states and the District of Columbia hit a new high in 1940 according to the Insurance Department, Chamber of Commerce of the U. S.

In that year the special insurance taxes, licenses and fees collected by the states totaled \$113,812,940, an increase of seven per cent from the amount collected the previous year and an increase of more than 100 per cent compared with 1922, when the National Chamber published its first analysis of special insurance taxes.

More than 90 per cent of the present tax is derived from the premium tax levied in the various states. Originally state taxation of insurance premiums was levied only to cover the expenses of state regulation of the insurance business; but now this nominal excuse for the taxes has been altered so that only 4.63 per cent of insurance taxes goes to supervisory services to policyholders while 95.37 per cent is used for other revenue purposes.

We're in a **HELLUVA** jam!



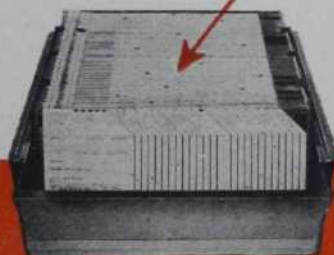
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Foresight Can Win the Peace

(Continued from page 19)

and perhaps as much as \$2,000,000,000,000 worth of values destroyed in all parts of the world. In this would be included such jobs as:

(a) The rehabilitation of Europe and China on a civilian economic basis.
(b) The rebuilding of destroyed areas in England, China, and Pacific Islands, the Lowlands, the Balkans, Scandinavia, France, and Russia, to say nothing of Germany, Italy, and Japan.

(c) The recasting of the economy of the Far East, the Near East, and of the Mediterranean countries as well; and the substitution of investment and development for exploitation as an economic and political basis for dealing with Africa, South America, India, and other regions hitherto regarded as backward economically.

These, then, are the types of jobs we are all to face in closely approaching years. The burden of this discussion is that the mere spending of billions of dollars by billions of persons will not get us to a solution, while the creation of new values holds some promise that that type of activity may.

A common difficulty in planning for the benefit of groups or peoples is that we too frequently forget the individuals who make up those groups, and the effect that the broad general plans we propose may have upon them. When I find myself making this mistake, I like to think back to an experience I had when I was a young man in Philadelphia. I knew a young fellow who was all on fire with an idea.

He worked in a car-seat factory, and he had an idea that cast iron frames for car-seat bases were not satisfactory. They broke easily, they were not very decorative, they had other defects. He worked out a plan for pressing sheet steel into two half-conical shapes and bolting them together to make car-seat bases. That may be a crude description of what Edward G. Budd was doing at that time, but it was the way the idea sounded to me.

Pretty soon I heard he had left the car-seat concern and was making entire car-seat frames of pressed steel, and then parts of cars, complete cars, automobile bodies, and finally entire trains of streamlined equipment of pressed metal.

Because that young man had vision and foresight, the thing we call individual enterprise, he was ready with a useful creative idea when car-seats needed improvement, when cars needed to be better built, when automobile bodies needed to be reduced in cost and made stronger, and when railroads needed to make passenger travel cheaper, swifter and safer.

Such "foresight"—as distinct from "routine"—constitutes the great creative element in business. Those who advocate widespread spending as a method of setting things right after the war largely ignore that point.

They have plenty of ideas as to *how* the spending should be done. It can be accomplished, they say, in three general ways:

1. Business can do it by distributing incomes more evenly.
2. Government can do it by "taxing and spending."
3. Government can do it by "borrowing and spending."

None of these plans suggests for *what* the spending is to be done. None of them indicates where the new wealth that is to inspire the spending is coming from. They may, in fact, hinder the creation of the wealth on which a higher standard of living depends.

Less stimulus for new ideas

IN THE case of the business solution, the highly-paid few are to be paid less, and the low-paid many are to be paid more. Thus it is argued, free spenders will be more numerous and spending more evenly distributed. But if the maximum individual earnings are to be limited at, say, \$25,000, and the minimum set at, say, \$2,500, how are these limits likely to effect the development of wealth creating new ideas? Will the young inventors throw their whole souls into invention if the top wage is easily attained? Similarly, will the young Edward Budds get all fired up with forward looking ideas if they can make a comfortable living by carrying out routine jobs?

Some inventors and innovators have worked creatively and well on a secure and solid income. But it is interesting to speculate on whether our transcontinen-

tal railroads would have been built, our major industries created and our great distributing organizations devised either by well fed youngsters or by government career men with tenure and pension guaranteed without substantial material incentives.

Many of the young instructors at Harvard, when I was one of them, were more than a little irked by President Eliot's idea that it was not good to pay a young instructor too much. His theory was easily stated:

At \$1,200 a young man could live in Cambridge—a single and austere life to be sure—but he could live. If he were paid more, two things were likely to happen. He might get married before he completed his training and the diversions of family life would distract him. Also he was likely to feel that he "had arrived" and so slow up his efforts for advancement in his field or what President Eliot called "the durable satisfactions."

Maybe Dr. Eliot's theory was wrong, and maybe more humane methods now prevail. But he did have a good faculty.

The same thing may be true of young men of talent in any field. Perhaps stability too easily or too early attained may retard "production with foresight." Thus a ceiling of \$25,000 or any other figure as a top price for "production with foresight" and a bottom wage or floor representing easy living may cut off the flow of creative ideas at both ends—and creative ideas are the one source for wealth on which more spending, better distributed living standards and all the other essentials of the present world situation depend.

How much we will need to encourage the creation of new values is evident when we consider the tremendous rate at which we are now destroying values formerly created.

The last war cost all sides about \$338,-



Individuals who retained their freedom to plan advanced the general welfare by making this conveyance obsolete



STUTTERING EYES... OUT FOR THE DURATION

EIGHT HOURS at a tool is a long time. Specially for eyes.

80% of your actions are controlled by your eyes, and only eyes that see well and easily—free from strain—can endure hour after hour of near-point concentration.

Faulty eyes make scrap, and 70% of all eyes are faulty. They strain, tire, jump out of focus and see double. Then another expensive and badly needed part goes into the scrap can.

No production soldier has a right to fumble or falter or waste.

Last year that kind of stuff might cost you your job. This year it can cost your "land of the free".

Too many people take their eyes for granted. Too many have eye faults that they ignore. Likely, you are

in this group. Yet most faults of vision can be corrected.

Go now, and have your eyes examined. And don't gamble on slipshod eye care. It does not pay.

Go where you can be sure of professional and technical skills in the care of the only eyes you will ever have—precious eyes that should be right and ready to play their part in the victory push. Better Vision Institute, Inc., 630 Fifth Avenue, New York.

VISION FOR VICTORY



000,000,000, according to the Carnegie Foundation. This one's total cost will be between \$1,000 billion and \$2,000 billion; and it looks as if we are to be almost the only people left with any prospect of being able to pay.

This huge deficit will not be made up as an incident to the normal processes of living—new values will have to be created to make up in a measure for those destroyed. Before we can even approach that task we must convert from a war to a peace economy.

It is possible to build up many staggering sets of figures reflecting war's effects on our economic system. Perhaps none of them shows the main outlines more vividly than a table based on figures gathered by General Electric Company's Special Planning Committee:

	Pre-war	After war	Height
Consumer—non-durable	55.2	48	64
Consumer—durable	8.3	2	13
Plant and equipment	14.7	4	23
National security	4	61	10
Total	82.2	115	110

(All figures in billions of dollars)

We are still conscious of the shocks entailed in the changes which took place between the periods represented by columns one and two. But these fade into insignificance compared with what will be necessary between the height of the war activity and any time representing a reasonable period of civilian resumption after the war. Those changes must be effected while we are rearranging the absorption of returning manpower—the resumption of civilian earning and spending and the withdrawal of the gov-

ernment market for most of what is being made.

The economic problems we now face are an essential part of any management tasks which may be put to American business now or later. All these and many kindred results of the war now being piled up have two main characteristics:

- (1) They are all directly concerned with people, resources, and the relations between these.
- (2) They will not solve themselves, but will require the conscious and deliberate application of sound principles of management—"production with foresight."

The application of human ingenuity to produce something for which substantial numbers of people will go without other things—or exert extra energy or make sacrifices—will create wealth.

That being true, there would seem to be adequate reason not to annihilate private initiative or individual enterprise and scrap all the experience, energy, foresight, ingenuity and initiative, which have grown up about it, substituting for them the cock-sure valor of doctrinaire bureaucrats.

The great social and political struggle of the next ten years will be to determine whether these problems are to be attacked by private enterprise—production with foresight—utilizing fruits of past experience, or whether they are to be attacked by some other form of enterprise not inhibited by past experience or restrained by addiction to accepted management principles or other established business practices.

cruited by the armed services.

Although nothing to get excited about, the results of the women recruiting program support the belief that woman-power is a great potential of manpower.

After careful initial groundwork, the women's recruiting centers in Baltimore (one for white and one for colored) were opened on September 29. Paul V. McNutt made the featured address.

In the first week (only four days), 981 women, physically and mentally fit to be referred to industry, appeared.

In the second week, 1,406 were recruited.

Third week (it rained steadily), only 757 were recruited.

Fourth week, enlistments went up to 1,551.

In the last week for which figures are available, 1,750 women were referred to war industries.

Many women can work

THIS made a total of slightly less than 6,500 women recruited for war work in five weeks in a city of approximately 1,000,000 persons. On the basis of this average, granting that the women are generally as healthy and able as men, the nation has a potential of more than 850,000 women who can go into war work in five weeks, any time the pressure is put on—or at least be considered for it—in addition to the million or two already employed. Some 16,000 were women engaged in war production plants in Baltimore when this phase of the experiment was begun.

- (b) A voluntary agreement among employers to prevent labor piracy in any shape, form, or fashion.

This phase of the program has worked almost to perfection. Management and labor are abiding by the spirit and letter of the agreement.

Some shifts in labor are bound to occur under any controls. When the voluntary agreement was made in Baltimore, more than 400 employees within a comparatively short time wanted to change jobs. They found that, to do so, they had to get permission from the U.S.E.S., under the agreement. The U.S.E.S. had formed a review unit to take care of these cases. Using tact, they got all but five to go back to their old jobs.

The dissatisfied five are still at work, pending appeals to the Appeal Unit of the War Manpower Commission in Washington. This Unit, not yet organized, will handle cases of workers who feel that the U.S.E.S. Review Unit has treated them unjustly.

- (c) Reducing the amount of absenteeism by war-workers in plants producing war materials.

The Baltimore plan thus far has had to depend upon employers to combat absenteeism. It has suggested methods by which this might be done. When workers are shown that absenteeism "just to loaf" is unpatriotic and harmful to the war effort, they respond readily. The American Screw Company of Providence, R. I., reduced absenteeism to a minimum by showing workers how absenteeism affected overall production.

Manpower Under a Microscope

(Continued from page 18)

narily employed before trying to obtain workers from outside the area.

Three: We agree, wherever possible, to refrain from recruiting or scouting for workers outside the Baltimore area except through the facilities of the United States Employment Service.

Four: We agree to cooperate in every way possible in bringing about the transfer of skilled workers from non-essential to essential industries and will agree that any workers transferred from our plants to other plants where they can be more useful will have their seniority protected for the duration of the war.

Five: We agree to work wholeheartedly with the War Manpower Commission in its efforts to reduce absenteeism in the Baltimore area.

Labor, on its part, agreed to essentially the same points with the provision that, should management fail to do its part, labor is released from obligation. Naturally, on such policies as "protection of seniority," labor leaders can go along only as management fulfills its side of the bargain.

Mr. Liveright, having started the program, went back to other special work in Washington. He addressed one plea to the general populace (which knows very little about the experiment, according to street-polls made in Baltimore):

I urge you, in the name of patriotism, to: (1) Help us get women registered at

the women's recruiting centers; (2) Help us get men in less-essential industries to go into war industries; (3) If you are an employer not on war-work, to release your younger men to let them work in war industries.

The director of the War Manpower Commission for the Baltimore area, who actually is administering the plan and making it tick, is Royden A. Blunt—a \$1 a year man, on leave from his job as vice president and general manager of the Buck Glass Company of Baltimore. Assisting is Kenneth A. Douthy, whose background has been "almost wholly" in organization work for the C.I.O. and Government administrative work. The staff includes a public relations director, two stenographers and some ten additional clerical workers who, among other things, have charge of the two recruiting centers for women. Although the staff is small, it must be borne in mind that W.M.C. here, as nationally, is merely coordinating the work of many government agencies under it—the U.S.E.S., the W.P.A., the N.Y.A. and others.

Just how well is the plan serving its two principal purposes, full utilization of local labor and orderly importation of workers? Let's examine, one by one, the "means" and see if the "end" is being attained:

- (a) By the recruiting of women to work in war plants, as men have been re-

More Than A Century in "Canvas Engineering"

Since the days of Clipper-Ship sails, the expanding usefulness of HOOPERWOOD Cotton Duck has been the direct result of matching individual needs with the particular canvas construction best suited to the job, and the maintenance of absolute uniformity in manufacture.

For instance today, in war time, the Army, Navy and the Air Forces are using specially-finished HOOPERWOOD fabrics to resist fire, mildew and deterioration, to repel water, gasoline and oil, to withstand the elements at temperatures ranging from tropical heat to 40° F. below zero, and to provide the exact sunfast colors desired, inexpensively.

These phenomenal fabrics are the result of years of research and development. Their success lies not in the finish alone, but in the construction of the canvas itself—so woven to insure maximum working strength, thorough penetration of the particular finish used, and freedom from irregularities that would impair efficiency in the service for which they were designed.

Today, our entire production of Hooperwood Cotton Duck is mobilized for Victory. But when business returns to normal, this sound "canvas engineering" will mean much to Industry in extending the usefulness of Cotton Duck.

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HOOPERWOOD COTTON DUCK

This method is working as well as can be expected in Baltimore.

(d) By urging skilled employees to "work-the-limit" insofar as this is possible without causing undue fatigue and violation of any statutes.

This phase of the program is working so well that one investigator found a common comment among cab-drivers:

"Them guys at the shipyards go to work still half-asleep, they work such long hours."

(e) Negotiated transfer of workers from less-essential industries into war industries.

This phase of the program is not working out as well as might be hoped. Difficulties in transferring *usable* workers from one field into another are great. A printer, for instance, after working for ten years in a printing establishment is asked if he wants to go to work in the machine section of a shipyard.

At first glance, if he can do the new work, it would seem to be relatively simple for him to switch. But suppose he has bought a home near his present plant. If he changes jobs, it will mean an hour's bus trip every day. He is the oldest man in the shop in point of ser-

Right here the advocates of compulsory legislation declare:

"He ought to be made to go. He is in a less-essential industry, has the ability to do machine work, and it's unpatriotic not to move."

That leaves unanswered this question: "Will he be efficient in the new job if he must do it under compulsion?"

Will he grumble, stay home, decrease the efficiency of his fellow-workers and otherwise contribute little to the war-effort in the new job? Men who know say that, if a man like this will not change voluntarily, he will not make a great contribution, no matter what legal compulsions are placed on him.

"But they do it in Germany," advocates of compulsion say.

"Yes, but this isn't Germany, and free American workmen will never be treated like German laborers are treated," is the obvious reply.

(f) By urging employers to simplify their operations, wherever and whenever possible, so that new workers can be trained easily. Also, the maximum utilization of plant labor by management.

Management obviously stands to gain by carrying out this suggestion since it

experiment will prove that voluntary methods will solve the manpower problem *where management and labor want them to work.*

The second purpose of the program—orderly importation of workers—has two phases:

One: Agreement by management to employ out-of-area workers only when these have been referred to them by U.S.E.S.

This phase of the program is working perfectly. Before the experiment began, thousands of workers came to Baltimore from other areas every month. Labor turnover was enormous. D. W. Siemen, personnel director for The Glenn L. Martin Company, estimated that his company would need to employ 38,500 workers to get a net increase of 19,000 workers by January 1, 1943.

"This estimate is too low," one U.S.E.S. official declared. "Actually, the company, in June and July, had to hire 16,000 persons to get a net increase of 6,000, so you can understand that they will have to hire more than 38,500 to get 19,000 workers to stay."

A large shipbuilding company estimated that it would have to hire 19,000 workers by January 1 to attain a badly needed net increase of 4,000 workers.

Number of women signing up for war work increased from 981 to 1,750 a week



vice and is earning \$75 a week. The job to which he is asked to transfer pays only \$60, and he must work overtime to get that. Surely, he'll get up to \$75 a week in six months but, meanwhile, he must take a cut.

Then there's the union question. He is paid up in his present union, but, at the shipyard, he must pay new initiation fees. He has assurances that seniority will be protected for the duration, but a lot can happen to that good, stable job in the next year or so. So he decides not to change. Can you blame him?

means more efficient use of the labor force. Where operations are not simplified, there is usually a good reason:

The three or four months required for this change-over in methods would play hob with present production schedules. No law in the works can keep up a production schedule.

All this indicates that the program is working in Baltimore. Industrialists who are parties to the voluntary agreement, members of the Management-Labor War Manpower Committee, and laborers themselves all declare that the

Waiting for materials

COMPLICATING the situation in Baltimore, as in other war production centers, are sometimes-serious materials shortages. Investigators visiting war plants calling for workers frequently found hundreds of workers idling about the grounds.

"Why?" these investigators would ask.

"We will need those men on the jobs they have learned the minute materials arrive."

Two: No advertising or other promotion stunts in out-of-city media for skilled, semiskilled, or unskilled help. Employers adhere to this part of the program perfectly. They have never wanted to go outside the Baltimore area to get labor, if they could get it from within the area, obviously.

Some persons feel that some of those who have a hand in the Baltimore War Manpower Experiment do not want it to succeed. This group, they say, would like to be able to go to Congress and say:

"Look, we tried by voluntary methods, but we failed. Now, don't you see we must have new legislation?"

Another group, very small, is said to want the experiment to fail, and then for Paul V. McNutt to get the legislation he wants. They want to see him bungle the manpower problem so that the country will be sick of him before he is a presidential candidate.

Whether or not there are such groups, the fact remains that the manpower problem is political—as well as economic—dynamite. That explains administration feelers regarding national registration of women from 18 to 65 and why so many persons want more experimentation before definite legislation.

Philip Murray, president of the C.I.O., hit the manpower question squarely on

the head October 30, when he said:

It is sheer nonsense to fight about how we are going to get the right man to the right place at the right time until we have established a basic overall planning which can enable us to know who are the right men and what is the right place and what is the right time.

The War Manpower Commission (as it is operating at present) merely coordinates this confusion of the discussion in Congress and elsewhere as to whether voluntary or compulsory manpower methods are preferable.

Today, some members of Congress are rushing to the hoppers with proposals to draft labor or to freeze labor on various jobs. These bills and these debates have obscured the basic difficulty which runs throughout our war production program—the difficulty of lack of planning and lack of unified direction.

It is sheer nonsense to speak of or debate a draft of labor if there is not enough housing to afford the worker a place to sleep in the area to which he is to be drafted. It is sheer nonsense to debate a draft of labor if what we are lacking is training facilities to produce the necessary skills or planning which will produce those skills when they are needed and where they are needed.

It is sheer nonsense to debate a draft of labor to fill the labor needs of plant A if plant B next door has too many of the necessary workers, but has failed or refused to organize its productive processes in a manner which will permit the release of the excess.

I do not say these things by way of criticism of any person or agency. I refuse to become involved in any conflict over the merits of voluntary or compulsory methods. American workers can be relied upon to join in any move for the speeding of the production of war.

Mr. Murray, Mr. Lewis, Mr. Green, and Mr. McNutt can be assured that American management and labor want, as a whole, to go a lot further on a voluntary basis before trying compulsion. Any discussion of "compulsion" brings up a thousand-and-one questions to the average person not engaged in war work.

What of workers' seniority?

FOR example, in any mass shifting of men and women, can the present favorable position of many workers be "protected"? Shall union men retain seniority and hourly-pay rights of their old jobs, although the new job normally pays less?

If this question is answered in the affirmative, how will the law be applied if it is necessary to transfer professional men, white-collar workers, or men who spend time supervising their properties? If a company president earning \$10,000 a year is transferred under a manpower draft, will he be protected as to earnings as is a day-laborer? If not, what's the answer?

When a worker is ordered to go far from home to work, who is going to pay to move him? If the Government pays for the moving, what if he can't work at his new job and wants to move back? Or if the war ends suddenly, who will move him back?

Furthermore, will all these factors help make him a more efficient war-production worker?

Three Anonymous Men on a Board

(Continued from page 34)

"Dig 'em out."

This success of the Selective Service System (Note: the writer is prepared to defend the assertion that it has been a success) did not come by chance. Nothing comes by chance in Washington.

Selective Service System's plan began away back when Moses and Aaron made all the Jews of fit age for war register and report on the weapons they owned. The plan came on down through the centuries. It was early recognized that, after the first flush of enthusiasm, few men really want to go to war. They are not unpatriotic. They are simply married or in debt or have good jobs or somebody's got to cut the oats on the south 40.

The nations that are bossed, like Germany, Italy and Japan, merely reach into the populace and take the men the Leader needs for his war. In the democratic peoples the pill is wrapped up.

We call the draft "Selective Service," in harmony with our politicians' firm belief that, if you call a cabbage a rose, people will wear it in their buttonholes. But back of our politicians were a group of reasonable, hard-boiled men. They knew the history of our draft failures. The first settlers recognized the necessity of universal military service, because, in those days, there was an Indian around every corner. When the yelling had moved into the next county, our forebears lost interest in signing up for war. In the Revolution, bounties were paid. The profession of bounty jumper

became fairly respectable. At least it afforded a good living.

In the war of 1812 we had, at one time and another, 527,000 men in the field. The British never used more than 16,000 men at any one time and you ask the Swami if we won that war. The War with Mexico was short. It would have been shorter if the volunteers had not gotten tired and started for home. In strict accordance with the terms of their contract, mind you, but they certainly cramped General Scott's style. In the Civil War the Confederate leaders early introduced general conscription. The northern leaders boggled and shied until 1863 and then made all the possible mistakes. Still, without conscription, the North might have lost the war.

A draft without substitutes

WHEN we went into the First World War, we began with a draft act. The Act of May 18, 1917, was unquestionably the most practical draft law which had ever been enacted. It forbade bounties; it forbade the purchase of exemptions or substitutes and exempted outright only clergymen, divinity students and a few groups of high public officials. It exempted conscientious objectors from combat service only and authorized the President to grant exemptions for essential occupations and in cases where dependents would suffer greatly. The state was established as the unit for quota allowances, the allotments were based on total population, and local and dis-



DE PALMA FROM BLACK STAR

Deferments are on an individual basis. If farmers, for instance, were deferred as a group, other groups would ask deferment, too



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Bread, the most venerable of prepared foods, has helped man, and man in turn has bettered the quality of his staff of life.

YEAST is the life of bread . . . and the story of yeast is the story of scientific research, uniform quality, mammoth production, modern refrigeration . . . and daily delivery to bakers in every city, town and village throughout the land . . . even by boat, by sled and by plane when other transportation is interrupted by floods and blizzards.

Anheuser-Busch is one of America's biggest sources of baker's yeast.

Year after year, we have striven with research and resources to better the methods and facilities for brewing Budweiser. To do this, a laboratory specializing in fermentation and nutrition was necessary. Discoveries made in the laboratory and in the plant have led to the development of products contributing to human necessity and progress. Some of these products would appear to have only a remote relationship to brewing, yet, they are the result of scientific research into many allied fields.

Endless research in making the world's leading beer has led to other products

VITAMINS, B COMPLEX—Anheuser-Busch is one of the world's largest sources for manufacturers of pharmaceutical and food products.

VITAMIN D—Our plant produces enough of the basic material for Vitamin D to supply the entire American market.

VITAMINS FOR LIVESTOCK—We are America's biggest supplier of yeast vitamins used to fortify animal feeds.

REFRIGERATING EQUIPMENT—for retailers of frozen foods and ice cream the country over. This division is now working all-out on glider wing and fuselage assemblies for our Armed Forces.

CORN SYRUP—many millions of pounds annually for America's candy industry.

SYRUPS—for food, table and confectionery uses and special syrups for medicinal purposes.

STARCH—for food, textile, paper and other industries—millions of pounds annually.

DIESEL ENGINES—Adolphus Busch, founder of Anheuser-Busch, acquired the first rights to manufacture this revolutionary engine in America and thus started our great Diesel industry on its way.



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A N H E U S E R - B U S C H . . . S A I N T L O U I S

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strict boards were authorized. Penal provisions provided teeth.

In upholding the constitutionality of the law, the Supreme Court made a ringing pronouncement on the duty of the citizen:

Compelled military service is neither repugnant to a free government nor in conflict with the constitutional guarantees of individual liberty. Indeed, it may not be doubted that the very conception of a just government and its duty to the citizen includes the duty of the citizen to render military service in time of need and the right of the Government to compel it.

In August, 1918, the draft ages were extended from 21-31 to 18-45.

That law did not differ widely from the law of August, 1940, under which the Army's manpower needs are being supplied.

"The local boards carried the load," according to an official statement by the Joint Army and Navy Selective Service Committee in 1939. "Their duties included every step of the transit from home to camp. Composed generally of able and respected men, their very ability invited those in authority to increase their burdens. Probably no group in the war effort worked harder or more intelligently than the local boards."

The total First War registration was more than 24,000,000. For a time the Army, Navy and Marine Corps continued to accept volunteers, as they do today. But that jammed every cog. The drafting organization could not know

how many men it would have to provide at a given date because, between the requisition date and the selection date, thousands of men might volunteer. Eventually all Army, Navy and Marine Corps recruiting was brought under the Selective Service System. One serious mistake was made in 1918. A special protection for shipyard labor was set up. Shipyards became refuges for able-bodied men who did not want to fight. It is estimated that 100,000 Class I men thus escaped service, although many were taken when, in the summer of 1918, the exemption was discontinued.

This early history has been reviewed because the 1940 Act seems to have avoided the mistakes of its predecessor. This was chiefly due to the work of the Joint Army and Navy Board which continued to study the war manpower problem through the years of peace. The Act of 1940 followed the recommendations of this Board, which assigned the following reasons for the success of the draft act of 1918:

Responsibility was dispersed to units of population so small that officials were accessible to the public. The officials were not military men, but civilians well known in their communities. A man's liability and availability for service were decided by his own neighbors. If favoritism crept in, it was in full view of the community and no blame attached to the armed services. By careful education, the understanding and confidence of the public were attained, so that the draft received popular support and odium attached to those who tried to evade it. Thousands of

drafted men thoroughly disliked military service; resentment and disgust made the Army unpopular for years after the war. But these sentiments only emphasize the absence of such reactions against the draft itself. The dominating features of Selective Service were its strictly civilian nature and its intimate local administration.

In every essential feature, the 1940 Act follows the law of 1918. An October amendment lowered the draft age to 18, as was done in the First War. The President was authorized to set up the necessary regulations to carry out the Act's provisions. He named General Hershey as director, at the authorized salary of \$10,000, and the members of the 6,500 three-man local boards on the recommendation of state governors or comparable executive officials. Members may not be members of the armed forces and must be citizens. Two appeals against the local board's decisions are permitted, with a third—but most improbable—appeal to the President himself.

No discriminations

PERSONS evading the Act's provisions or counselling or abetting others to do so may be punished by five years imprisonment and up to \$10,000 fine or both. Alien enemies are barred from service and citizens of neutral countries may evade service if they wish, but are thereafter forbidden to apply for citizenship. It is provided that there shall be no discrimination by reason of race or color, diplomats are relieved of the necessity of registering.

Other laws and amendments provide for insurance and allowances to dependents. The President may exempt certain age groups from registration if, in his opinion, such men are not needed. Provision is made for the transfer of drafted men to the reserves after peace, to exempt men of the armed services, certain federal officials, and all state officials selected by the voters of the entire state from registration. Clergymen and divinity students are required to register but may be exempted from training and service, together with some students at colleges of satisfactory qualifications for definite periods.

A conscientious objector may be relieved from combat service but inducted in a work unit. If the appeal board does not sustain his claim he may make a further appeal to the Department of Justice. The board need not follow the Department's recommendations, however, although it must consider them. If the claim is sustained, the objector's name is registered on the list of conscientious objectors. No one deferred because of health, dependency or other cause can claim a permanent deferment, but must appear for reexamination after a stated period.

The law and the regulations, as voiced by General Hershey, seem to protect almost automatically the man and the country. The man is told just what he must do when his class is called for registration. He fills out his card, and answers questions. If he is a key man in industry or agriculture he should say so, or get a statement from his employer.

One Premium = \$25,000

How long do you figure it would take you, starting now, to accumulate \$25,000 as an estate for your family? Contrast the many years this might require with the few days necessary for you to obtain \$25,000 of life insurance protection by the outlay of a relatively few dollars of initial premium.

Your Prudential Agent will be glad to show you a choice of policies.



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If he passes the preliminary examination he takes his physical. The rules for this are very definite. He enters a well heated room in a state of utter nudity, walks, bends, bows and twists, and, if the examining physician sees fit, he may be required to do calisthenics. If he is army material he is assigned to a group of eight men, the local board names a leader, provides him with transportation, arranges for food and sleeping car berths, and the group is off for the Army.

Subject to local opinion

UP TO this point the local board has been responsible for everything in the procedure. Washington has sent tons of forms, directives, questionnaires and the like to each local board. General Hershey, who has a startling habit of saying just what he thinks when he thinks it, once remarked that most of these documents, directives, exhortations and whatnots were unnecessary. He hoped the boards paid no attention to them.

The probabilities are that the boards do not. Their duties have been precisely stated in one of the most clearly drawn laws on the statute books. They are not even likely to err in their judgments. The boards are right at home, where they are under the supervision of the community. They lack the grateful shelter of distance and confusion which Washington's officials enjoy. If they let John Smith stay in the pool room instead of going to war but send Jake Brown from the factory they will hear from their neighbors.

It is New England's town meeting over again.

Another reason why the Selective Service plan has worked so well is that mistakes of former plans have been avoided. It would have been a natural for Congress to exempt farmers as a class but Congress knew that, if farmers were exempted as a group, the shipworkers, the aircraft mechanics and the tank builders would demand a similar exemption. Soon there would be no army. The officers of the Army had much to do with the fact that Congress reached this decision.

Back to the three men board again.

Deferments are made on an individual basis. This has worked very well.

The System at Washington is in correspondence with labor and management and has been able to get a fairly sound idea of the manpower needs for some time in advance. This has never been a definite understanding and is not now. As the war has progressed the Army from time to time has raised its demands for men.

In February, 1942, General Hershey was only able to say that the Secretary of War had announced 3,600,000 as the objective by January 1, 1943. In October, the objective had become 7,500,000 at some unfixed date in 1943. It was late in October before Donald Nelson was able to suggest that it would soon be possible for the Army, Navy and the civil administration to get together on a program of future production.

This is not a suggestion that the three bodies have not been operating in har-

mony, but that no clear-cut program was visible. Under such conditions, Selective Service could only produce the men as asked for. About all that the Washington headquarters has had to do with this has been to work out by a slide-rule process the quotas required from states, regions and districts, then notify the three man boards. Merely as an advance alibi if anything went wrong Washington sometimes leaned back and said:

"These local boards are the headache."

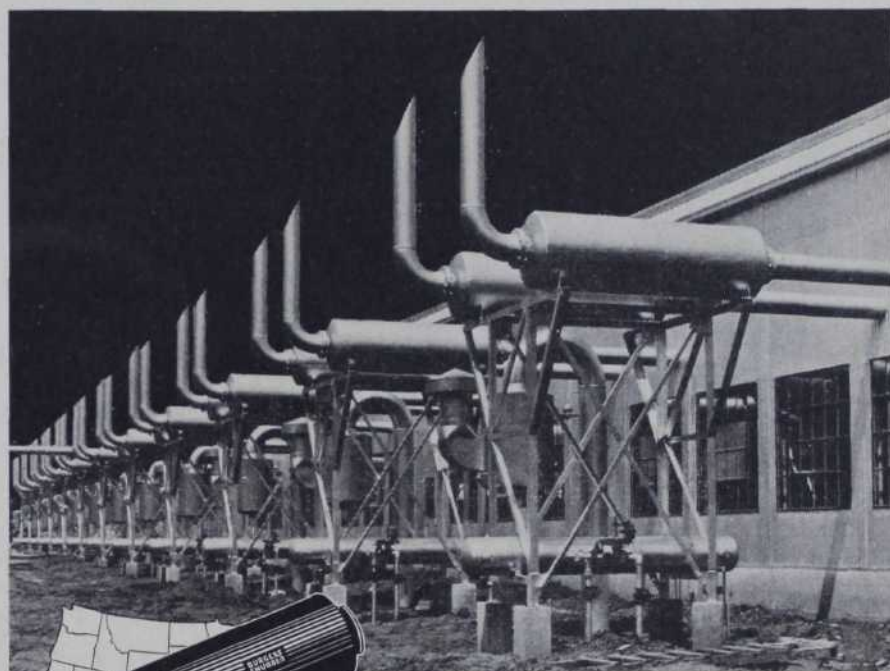
General Hershey did not say anything like that, nor did the Army or Navy.

The boards have had little difficulty in understanding most of the rules under which men may be deferred, exempted, or taken for military service. If a man is over-or-under-age, lame, halt, blind,

or probably indispensable, the local board may be depended on to deal with each case.

"No hard and fast rules will work. Each case must be weighed carefully and decided on its own merits. What is reasonable support in one locality or one set of circumstances may not be in others. The board should be diligent" in preventing registrants from evading military service "but equally diligent in making its classifications to protect the registrant's dependents."

A dependent in the prescribed limits must "in fact regularly receive from the registrant contributions to such person's support—including payments to a divorced wife—and such contributions must not be merely a small part of such person's support."



SNUBBING the roar of twenty-four engines

Providing quiet engine exhausts all over the nation, Snubbers are found in such widely separated places as:

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- Miami, Fla.
- Hawaii
- Chicago, Ill.
- Deere Island, Me.
- Des Moines, Iowa
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You'll find Burgess Snubbers operating without noise complaints in such critical locations as hospitals, office buildings, business districts, and in residential areas. While Diesel power is war power today, you'll find Burgess Snubbers ready to meet your needs again after the war.

The exhaust roar of twenty-four big engines (really twelve engines with dual exhausts) would be well nigh unbearable without an efficient means of preventing this noise. Standard Burgess Exhaust Snubbers do the job easily, eliminating objectionable exhaust noise so that only a quiet flow of gas remains.

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BURGESS DIESEL EXHAUST SNUBBERS

No doubt changes will be made in the Act or in the policy as determined by the dovetailed needs for more fighting men and more producing men. General Hershey has said that he thinks men will be taken by the Army for limited uses. A man of 45 would be a sorry spectacle at the end of a day's march under a regulation pack, but he might be the nation's gift to the Army in an office job.

Germany uses her crocks and misfits where they are needed in the national effort, and no matter what the reader may think of the German Army's leaders they do know their business. It is probable that almost as soon as this article appears, the Army will have arranged to furlough men to get in crops or get out factory production. As the younger classes come in—the 18 and 19 year-olds—a re-arrangement of army

man-material will be possible. Older men will be put on guard duty back of the lines while the younger men are assigned to the combat services. This has always been the habit of armies in every country but the process has been delayed here because it was necessary to set up a competent force first, and sift it afterward.

But such things are details of army management. The only contact with the Selective Service is that from time to time directives will go out to the three man boards. The boards will be told how many men of what ages will be demanded when. And they will produce the goods.

Unless, of course, this spectacle of reasonably calm efficiency without too much whooping from Washington proves to be disturbing.

kinds: chain, independent, big oil company outlets; independent oil company outlets; pumps in connection with other business; specialty stations; metropolitan area stations; country road stations; those handling several brands and those handling one.

Only a dictator could decide who should live and who should die.

Inventory control is another suggested aid. Admittedly small store inventories are low. To help them, retailers with more than \$100,000 in sales or \$25,000 in inventories would be asked to relinquish part of their stock by next April. That law leaves a peculiar backwash. It will dry up the manufacturers. At least three-fourths of their orders come from the big retailers who certainly would place no orders as long as their inventories exceeded the proposed limit. If the manufacturers stop operation now, their manpower will drift to other industry. By the time orders start coming in again there will be no one to operate the machines.

The General Manager of N.R.D.G.A. says the retailers' six most serious problems are:

1. Shortages. These will increase until Government can find a way to allocate more goods to civilian use. One way to curb inflation is to give people more things to buy.

2. Price ceilings that squeeze profit. Should be distinction between control and freezing. Control eliminates erratic movement, but freezing establishes dead levels with no movement possible.

3. Inability to understand and comply with government regulations. It is doubtful if there is a single retailer who completely understands price regulations that apply to his own store. Many of the regulations are made by men who have no practical understanding of merchandising. In the furniture field alone, O.P.A. has issued almost 100 price and ration orders, supplementary orders and price schedules which have been amended approximately 150 times and officially interpreted more than 200 times. The Federal Reserve Board's credit regulations have been amended nine times and officially interpreted almost 150 times.

4. Shortage of personnel. There were 4,600,000 retail workers in 1939. No one knows how many have already been lost, but government officials have announced that retailing would offer a huge reservoir for future draft of soldiers and industrial workers. At least 1,000,000 more are expected to be drawn off in 1943.

5. Taxation which leaves the retailer without necessary reserves to protect his enterprise against inevitable emergencies.

6. The theorists who say he is engaged in a "non-essential" calling.

Despite these problems, the retailer will put up a game fight for his life. He has maintained himself through the ages in probably the most competitive of all businesses and doesn't expect to be washed out by any present day catastrophe.

Retailers Face Grim Future

(Continued from page 30)

competent operators when the Government says they will be out of business within a year.

Government officials and some legislators have urged subsidies for financially-hurt retailers. Under one plan, the Government would buy the remaining stock of weak units, distribute it among the stronger outlets. Other schemes are suggested, too, but retail leaders insist they want none of them. They believe

the resulting tax payments would cost customers more than the simple expedient of letting prices go higher. Furthermore, they see no sense in subsidizing merchants who might go broke even in peace-time.

Another government suggestion is concentration. That would create terrific headaches. Who is to decide which store would be left to handle the customers in a given community? Take filling stations, for example. There are many

THE GLORY OF DEMOCRACY

THE sacrifices that are needed in order to win the war are apparent to us all.

The Treasury's appeals to buy War Bonds, the Government's pleas to conserve gas and rubber, the economies required to avoid inflation, the necessity of rationing many essential commodities—all these have become vital in the minds of our people.

Necessity has awakened us, not only to the size of the task before us, but to the fact that our future as a nation is at stake; and in characteristic fashion we—all are responding.

Our hearts speak, our purses are open wide; and regardless of creed or color or political convictions, our honest differences of opinion are being dissipated before the issue that confronts us.

This is the glory of democracy; that a man may think as he will, speak as he will, vote as he will, and worship God in his own way; yet in the hour of peril to the State, that which is for the greatest good of all is not only his most compelling thought but the strongest prompting of his heart.

In that hour his thought is no longer of himself but of his country; and it is as though his soul were crying out those memorable words of Plato: "Man was not born for himself alone but for his country."

BUY WAR BONDS

Thos. Watson, President

INTERNATIONAL BUSINESS MACHINES CORPORATION

Following are the mortality prospects in various branches in industry as reported by men who have the responsibility of knowing what is going on in their particular line:

Food Industry

THE American Institute of Food Distribution says that mortality rate will be 15 per cent. Present chain outlets—about 38,000—probably will be reduced more than ten per cent as big chains close unprofitable stores and smaller chains sell to competitors. Extent of mortality depends upon amount of rationing, attitude of O.P.A. toward living margins; quantity of foods available; whether end of war is in sight by autumn 1943.

Dollar volume will be 20 per cent less than first half 1943. Fifty per cent of goods will be rationed, thus increasing selling costs. Largest part of food movement will be in low profit staples. Many still unable to restock under March ceilings; would cost them more to buy than they can charge customer.

A National Association of Retail Grocers spokesman says tens of thousand of dealers will go out. Recommends appointment of a Food Administrator to prevent squeezing of food industry interests between 12 different federal agencies, each wanting to run the show.

Complicated O.P.A. regulations are driving dealers crazy. Some are ready to quit because they can't keep records straight. Here's an example:

Ceiling prices were set on most goods for highest March price. Amendment on canned fruits and berries "permitted" a dollar and cents increase over March price. A new and more complicated regulation on new condensed soup was sent out. Then a new regulation on more commodities not covered by March price, but set at highest price charged from Sept. 28 to Oct. 2 came along. This included grapefruit, but an amendment covering special formula on grapefruit was almost immediately issued. Then came more regulations offering an alternate on nine lines of commodities—either continuing the use of March ceilings—or adding to the present cost, permitted percentage increases according to store volume. Then a regulation on holiday foods permitting retailer to add to his present cost the normal average markup which he had on those holiday foods in 1941.

A regional report from Minneapolis and St. Paul area where there are normally 2,200 independents, says 20 per cent have gone out already—more will follow. Wholesaler recommends that his customers remodel for self-service; establish cash and carry system; replace canned commodities with dry materials such as beans; add lines such as household wares, dresses, cosmetics.

Automobile Dealers

LAST YEAR there were 44,000 but thousands were in other businesses—wanted privilege of an auto dealer's license, seldom sold a car. Since January 1, slightly more than ten per cent have closed. Chicago area had 467 dealers on Oct. 1, 1941. Had 413 same date, 1942. Number of mortalities decrease each

quarter. However many franchises are inactive.

Dealers hang on hoping to be in on ground floor after emergency. Bosses cut expenses, go to work in shop. Few new cars helped some—still 135,000 new cars to be rationed next year. Government eased finances by permitting increased charges to customer for each month car was held.

Principal work now is selling used cars and service. Emergency was temporary relief to used car headache on which dealer once lost average of five per cent for every sale. Not more than 25 per cent of dealers can exist on servicing alone.

Manpower is a difficult problem. Mechanics gone to army and war industry.

O.D.T. Director Eastman says cars must be kept running but how to do it without mechanics is question. Women can help but they can't do heavy work. Government talks of concentration for garages, may pool resources of several shops in one. Conversion and new lines haven't helped much. Auto shops' special machinery is not much good for war goods and dealers who add men's wear, feed, fertilizer, etc., lack experience to compete with firms already on the job.

After July, dealers may number no more than 20,000.

Lumber and Building Supply

FORTY per cent of recent supply dealers business has been servicing war in-



Note the **CARBINE...**

it's one of the items we're making now instead of Office Machines

"After 35 years, the Army goes from the pistol to the carbine. This will be the weapon for all officers up to the rank of captain, and for the supporting troops that carried pistols and relied on riflemen for defense. The new Winchester light, short-barreled carbine has range enough to be a weapon of offense, whereas the .45-caliber pistol is purely a defensive weapon. The Winchester carbine is rated high, and is judged to increase the fire power of the infantry regiment by 33 per cent."

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industries. Dealers in agricultural communities have a fair business with farmers. Hardest hit are those in places like college towns where there is no industry and no building is permitted. Modernization and repair, only jobs left, are now rather skimpy. Dealers who handle fuel, as most do in Middle West and East, can get along. Wall boards, insulation and storm sash also bring brisk business.

The tendency is toward combining resources. Dealers maintain their identity but pool inventory, services and manpower. They expect to dissolve pseudo partnership after war. Chains are closing many outlets doing less than \$20,000 business, moving operator and his stock to nearest large outlet.

Greatest mortality is among the 4,000 new dealers who sprang up in the lush building days of the late '30's. They handled lumber exclusively, made money then. Closed now to conserve resources they may reopen later.

Industry leaders worry because government building program, now their principal market, will be completed in 1943. On the other hand lumber may be more plentiful after government is through building. Depends on manpower available for lumbering operations. Some wishful thinking may be involved.

Hardware Dealers

PROFITS in 1942 even better than 1941. About normal number of mortalities. But 1943, when inventories are used up, will be different. Mortality may run as high as 25 per cent of all dealers, but most dealers will retire solvent.

Dealers hit hard because hardware merchants seldom follow market. Goods move slowly. Last March price is often far below cost of replacements. Consequently, when old stock is gone, it is not replaced. O.P.A.'s apparent effort to cut margins of average dealers to conform with margin of low cost dealer regardless of services performed is also disturbing.

So are government orders. Association bulletin which digests government regulations now takes 100 pages of small type. Overlapping orders such as original inventory restriction order to firms with \$10,000 inventory and later order exempting firms with less than \$25,000 inventory has never been clarified.

Suggested remedies:

Exempt retailers with low sales volume. Majority haven't learned about the orders anyhow and can't live up to them.

Permit normal margin regardless of price ceiling.

Distribute available merchandise more equitably.

Establish boards in O.P.A. and W.P.B. to review orders so there will be less overlapping.

Persuade W.P.B. and O.P.A. to use trade association officials in developing regulations.

Jewelers

SHORTAGES will show up next year. When present stocks are sold many

items will completely disappear. The business depends almost entirely on metals and only gold and silver are left. Silver will be rationed because there is not enough to go around. Government could help by releasing some of its 1,361,000,000 unallocated ounces.

People now buying jewelry may soon divert funds to other places. Withholding taxes, forced savings and higher cost of staple goods in other lines will prevent buying of luxury items. Industry leaders are seeking some way to impress their dealers with the danger of impending shortages and loss of volume. A prominent dealer suggests the following procedure.

Curtail expansion.

Discourage sales of luxuries to people who can't afford to own them permanently.

Build reservoir of purchasing power by selling war bonds to customers.

Invest in government securities.

Do not expect to carry on as usual. It can't be done.

Retail Druggists

MORTALITY will be heavy, but factors too variable for even an estimate. The public must have medicine and druggists have the prescription department to fall back on.

Independents will lose fewer pharmacists because the owner is generally his own and he is also more likely to escape draft than younger, hired pharmacists in chain stores. He may also benefit, like many other retailers, from transportation restrictions which tend to keep business in neighborhood stores. But chains have better financial backlog; bigger inventories; better facilities for digging up scarce goods.

Here is how a retail druggist solved his manpower problem. When his pharmacist was drafted, he bought a drug store in neighboring town and brought both the stock and owner into his own establishment.

Furniture Dealers

LAST JANUARY retailers thought they had an official government green light to go ahead at full capacity. Home furnishings would be bought as part of civilian capital assets. But the situation has changed. Increasing need for steel brought shortage of wood used as substitute material. Probably one-third of furniture manufacturers have been converted to production of truck bodies, plywood airplane parts, office desks and furniture for military purposes. But many plants are in small towns in Carolinas where manpower shortage has not yet hit, and factories are not easily converted to war uses. Plants in Jamestown, N. Y., Rockford and Chicago, Ill., are still comparatively unaffected by war.

Leaders expect that retail operations will continue at about '34 or '35 levels. Sales this year have averaged about ten per cent under 1941, but have spotty trend. For example, New York sales dropped 45 per cent.

Luxury furniture will probably be discontinued. Principal shortage is metal

springs. Wood substitute (bow and arrow principle) will help. Industry concerned over need for bed springs in defense areas: "How can men work if they can't sleep?"

Curtailed installment buying is probably more responsible for sales drop than anything else so far.

Retail Clothiers and Furnishers

BOTH small and large stores are getting more merchandise than they can sell. Greatest hardship is price squeeze. Competition for manpower has resulted in salaries not justified by sales volume. Millions of customers have quit wearing civilian clothes. Dealers do not expect heavy mortality in stores, but worry over ability to keep costs balanced with profit. If war goes over 1943 many may combine with other retailers such as luggage dealers.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACTS OF CONGRESS OF AUGUST 24, 1912, AND MARCH 3, 1933, of Nation's Business, published monthly at Greenwich, Connecticut and Washington, D. C. for October 1, 1942.

City of Washington, County of District of Columbia, ss. Before me, a Notary Public in and for the state and county aforesaid, personally appeared Merle Thorpe, who, having been duly sworn according to law, deposes and says that he is the Editor of Nation's Business and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, as amended by the Act of March 3, 1933, embodied in section 537, Postal Laws and Regulations, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business manager are: Publisher, Chamber of Commerce of the U. S. of America, Washington, D. C.; Editor, Merle Thorpe, Washington, D. C.; Managing Editor, Paul McCrea, Washington, D. C.; Business Manager, Lawrence F. Hurley, Washington, D. C.

2. That the owner is: Chamber of Commerce of the United States of America, said body being an incorporated organization under the laws of the District of Columbia, its activities being governed by a Board of Directors. The officers are as follows: President: Eric A. Johnston, President, Brown-Johnston Company, Spokane, Washington. Vice Presidents: William K. Jackson, Vice President, United Fruit Company, 1 Federal Street, Boston, Mass.; Carl D. Brorein, President, Peninsula Telephone Company, P. O. Box 110, Tampa, Fla.; Roy C. Ingersoll, President, Ingersoll Steel & Disc Div., Borg-Warner Corp., 310 S. Michigan Ave., Chicago, Ill.; I. N. Tate, Vice President, Weyerhaeuser Sales Company, St. Paul, Minn.; Bernard F. McLain, Secretary-Treas. & Gen. Mgr., Hart Furniture Co., 1933 Elm St., Dallas, Texas; Albert C. Mattel, President, Honolulu Oil Corp., 215 Market St., San Francisco, Calif. Treasurer: Ellsworth C. Alvord, Alvord and Alvord, Munsey Building, Washington, D. C. General Manager and Secretary: Ralph Bradford, Chamber of Commerce, U. S. A., 1615 H St., N. W., Washington, D. C.

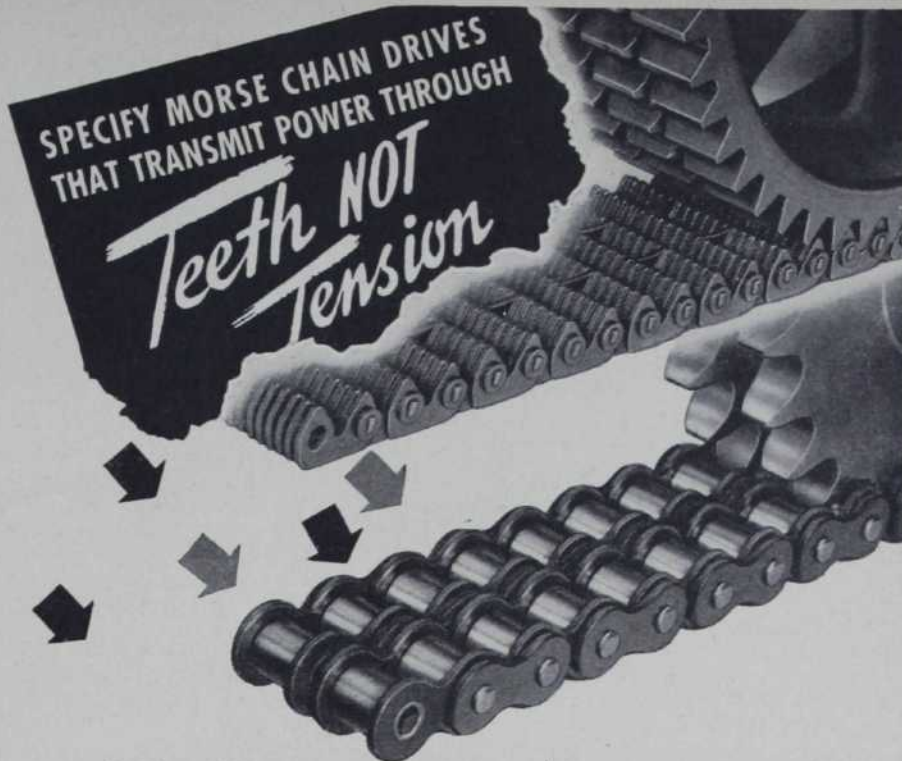
3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

MERLE THORPE
(Signature of Editor)

Sworn to and subscribed before me this 3rd day of October, 1942.
(Seal)

WALTER HARTLEY
(My commission expires August 15, 1947)



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Sote Board, which is a synthetic rock material made of asbestos and cement, seemed to be ideal for the exteriors of the buildings. And Homasote Building Board was wanted for the interiors.

But would Sote Board and Homasote be weatherproof in this climate? Homasote Company's engineers thought so—but they proceeded to make sure with a series of stringent tests. One of them was to leave an 8' x 14' sheet of Homasote overnight in a steam bath where the temperature was 212 degrees Fahrenheit and the humidity 100%, and then dry it out—repeating the operation three times.

The tests proved conclusively that both Sote Board and Homasote can stand up under Equatorial weather—and delivery was made to Pan American. The same month, another shipment of Homasote was sent to Alaska!

This is an example of the kind of war-created building problems Homasote Company products and techniques have solved. Another was the building of 5,000 complete homes in the record time of five months for Navy Yard workers at Portsmouth, Virginia. The scope and speed of this project were made possible by Homasote Precision-Built Construction—a system of prefabrication based on the use of large (8' x 14') panels of Homasote Building Board.

Homasote products and Homasote Precision-Built Construction are pioneering a new era in construction history—better housing at lower cost than ever before; industrial and commercial building of greater efficiency than ever before. Write today for complete details.



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WAR BOND PAYROLL SAVINGS ROLL OF HONOR

The eyes of all America are upon the United States Treasury Roll of Honor appearing in the "Payroll Savings News." For copy write War Savings Staff, Treasury Department, Washington, D. C.

NEW 10% WAR BOND DRIVES SWELL TREASURY HONOR ROLL

HOW TO "TOP THAT 10% BY NEW YEAR'S"

Out of the 13 labor-management conferences sponsored by the National Committee for Payroll Savings and conducted by the Treasury Department throughout the Nation has come this formula for reaching the 10% of gross payroll War Bond objective:

1. Decide to get 10%.

It has been the Treasury experience wherever management and labor have gotten together and decided the job could be done, the job was done.

2. Get a committee of labor and management to work out details for solicitation.

- They, in turn, will appoint captain-leaders or chairmen who will be responsible for actual solicitation of no more than 10 workers.
- A card should be prepared for each and every worker with his name on it.
- An estimate should be made of the possible amount each worker can set aside so that an "over-all" of 10% is achieved. Some may not be able to set aside 10%, others can save more.

3. Set aside a date to start the drive.

4. There should be little or no time between the announcement of the drive and the drive itself.

The drive should last not over 1 week.

5. The opening of the drive may be through a talk, a rally, or just a plain announcement in each department.

6. Schedule competition between departments; show progress charts daily.

7. Set as a goal the Treasury flag with a "T."

AS of today, more than 20,000 firms of all sizes have reached the "Honor Roll" goal of at least 10% of the gross payroll in War Bonds. This is a glorious testimony to the voluntary American way of facing emergencies.

But there is still more to be done. By January 1st, 1943, the Treasury hopes to raise participation from the present total of around 20,000,000 employees investing an average of 8% of earnings to over 30,000,000 investing an average of at least 10% of earnings in War Bonds.

You are urged to set your own sights accordingly and to do all in your power to start the new year on the Roll of Honor, to give War Bonds for bonuses, and to purchase up to the limit, both personally and as a company, of Series F and G Bonds. (Remember that the new limitation of purchases of F and G Bonds in any one calendar year has been increased from \$50,000 to \$100,000.)

TIME IS SHORT. Our country is counting on you to—

"TOP THAT 10% BY NEW YEAR'S"



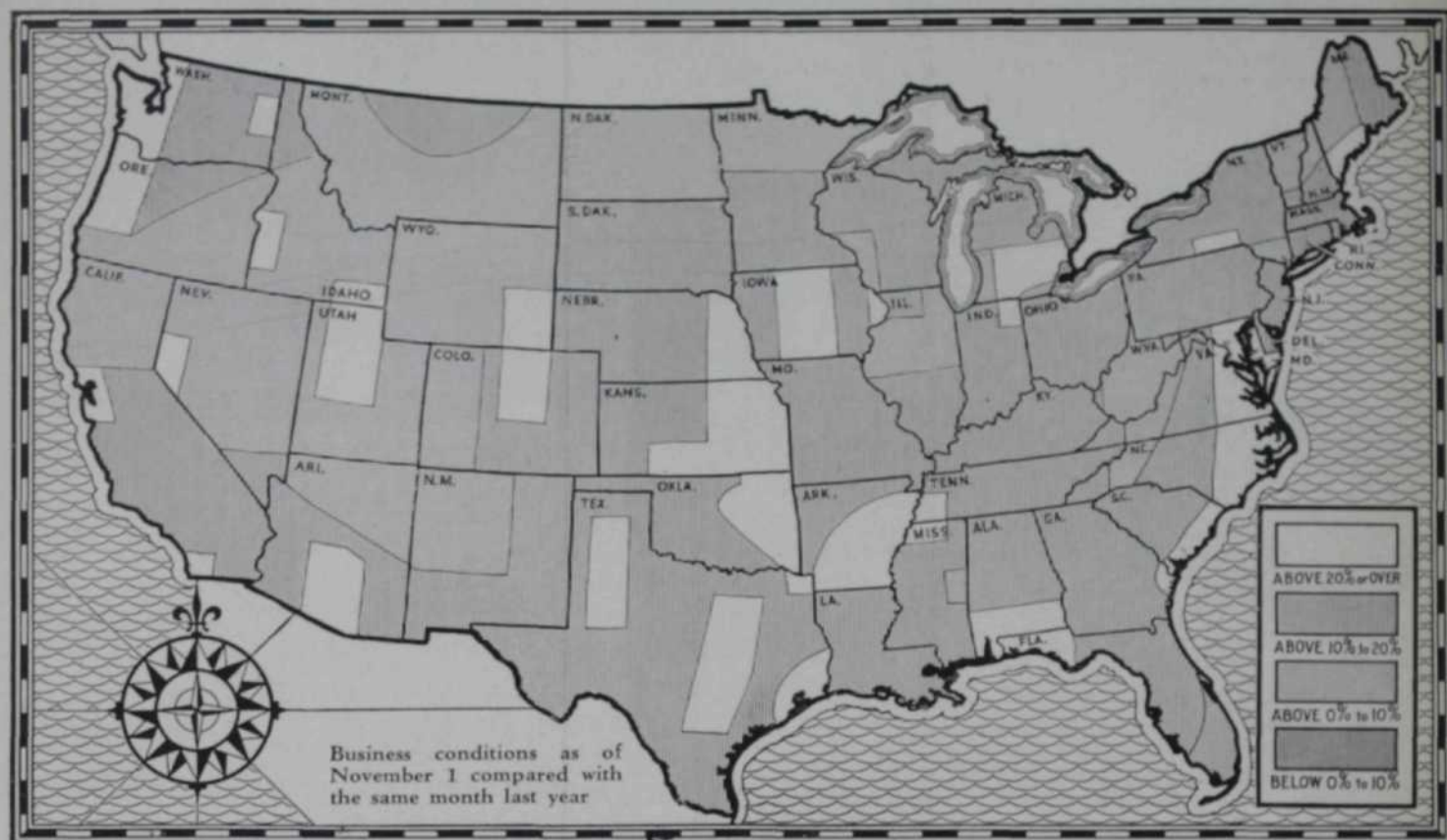
Save with

War Savings Bonds

This space is a Contribution to America's All-Out War Effort by Nation's Business

The MAP of the Nation's Business

By FRANK GREENE

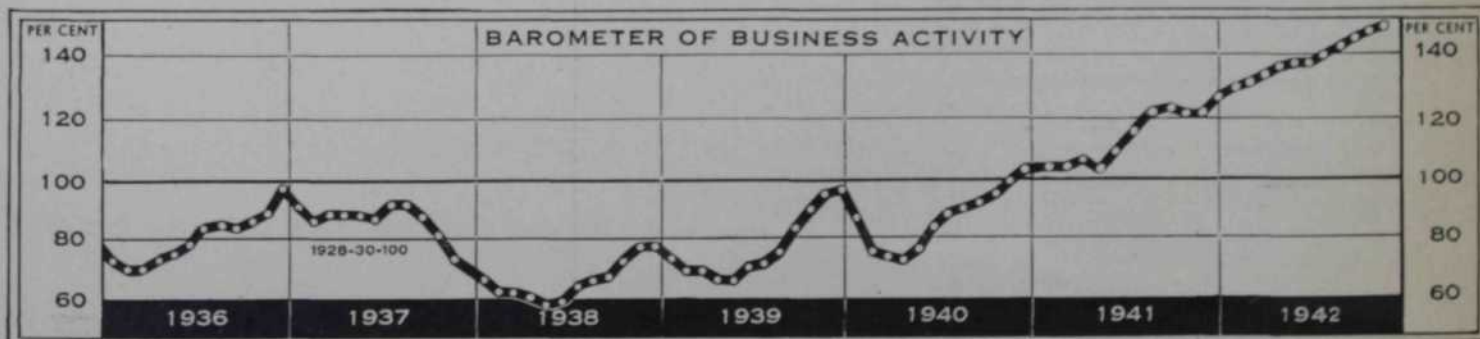


INDUSTRIAL activity again set a new all-time peak during October. Record monthly steel output above 100 per cent of capacity reflected nation-wide scrap collection. Labor shortages became more critical in mining, industrial and farming areas. Railroads functioned smoothly under the heaviest freight and passenger load in history, while electricity output reached a new weekly peak.

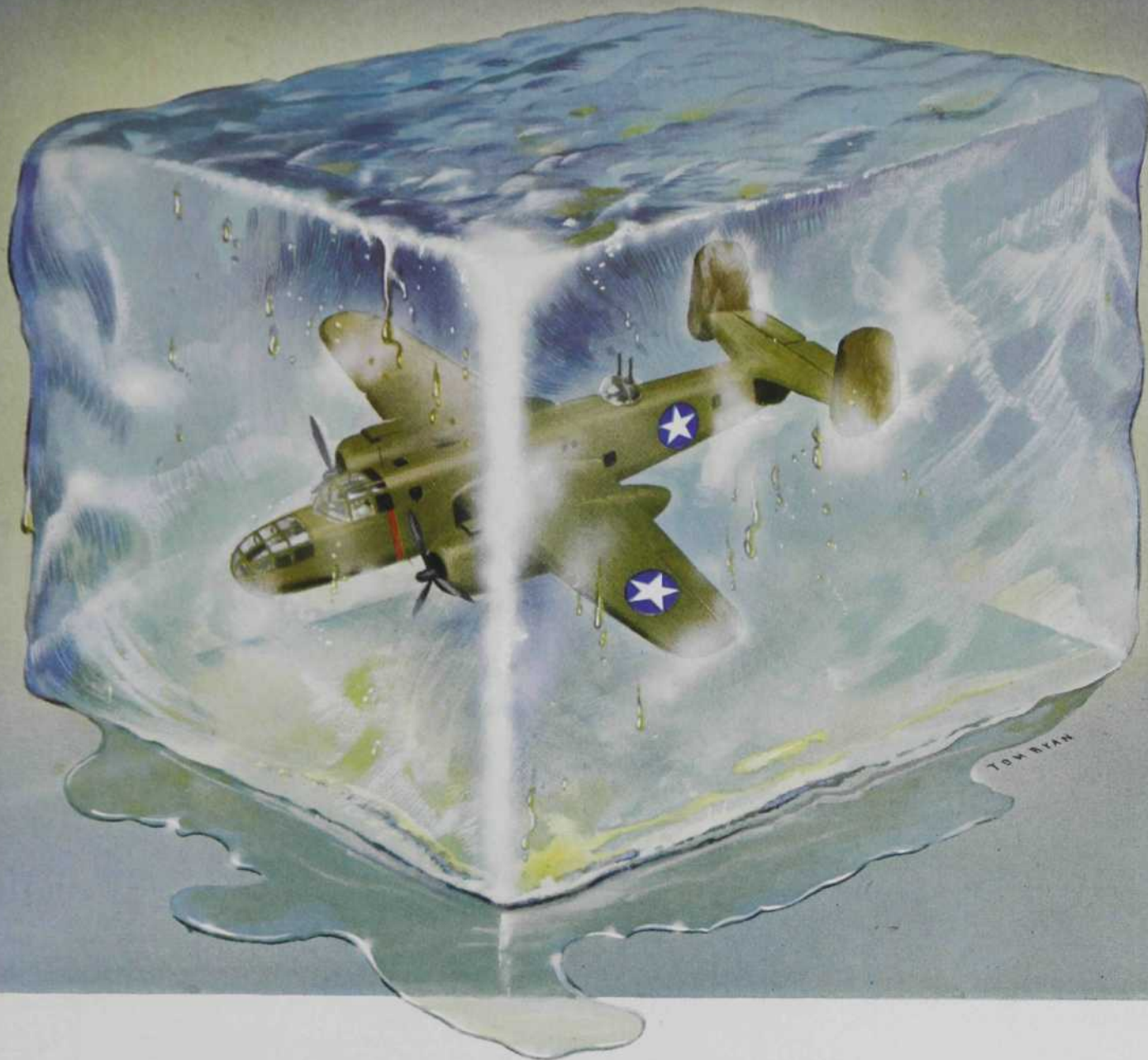
Engineering awards were 70 per cent above last October, publicly financed building representing 95 per cent of the contracts. Price stabilization moves retarded commodity trading with few price changes occurring except minor increases in agricultural products. Stock markets staged the widest advance since July, 1941, amid heaviest trading and highest prices this year.

Declining civilian goods production made for caution in wholesale markets but expanding pay rolls and farm income, coupled with early Christmas shopping and new scare buying, boomed retail trade.

All sections continue above a year ago with further advances recorded in industrial and agricultural income



With steel ingot output breaking all previous monthly records in October and overall production for war purposes making steady strides, the Barometer chart line continued its upward course to reach a new all-time high



We could have done this a year ago

The calendar says the United States has been at war one year.

But here at North American Aviation we've thrown the calendar away. Today we are building planes that are *years* ahead of the planes we were building in 1941.

Those late-1941 planes of ours were *good*. According to one theory of production we would have been justified in "freezing" the designs we had in production last December 7 and concentrating entirely on turning out those planes. But we don't work that way, nor do the Army and Navy work that way.

We know frozen weapons won't win the war, because the war itself can't be frozen. So we keep our production methods flexible, and whenever battle experience or engineering genius or mechanical skill suggests a change that will improve our planes, we make the change—and look for other improvements.

That's why "North American Sets the Pace"—why our planes are chosen for missions like the first Tokyo raid (B-25 bombers) or to bear the brunt of low-altitude fighting over Europe (P-51 Mustangs).

We are making these better planes so much faster that we

Join the Army or Navy Air Force

passed our 1942 production quota months ago. But today, as always, the main idea of every North American employee is to make every North American plane the best bomber, fighter or trainer that can possibly be produced *at the moment* it is completed.

You—the taxpayers and Bond-buyers of the nation—pay for the planes we build. Your sons, brothers, sweethearts and husbands fly them. We need no other reason to continue building the best planes that skilled hands and unfrozen brains can build.

NORTH AMERICAN AVIATION, INC., Inglewood, California

Plants in California, Kansas, and Texas

MEMBER, AIRCRAFT WAR PRODUCTION COUNCIL, INC.



BOMBERS



FIGHTERS



TRAINERS

BONDS BUY BOMBERS! Buy War Savings Bonds every payday.

NORTH AMERICAN

Sets the Pace!



NAZI NIGHTMARE

AGAINST the moon, a mist-shrouded phantom is flicking across the Irish sea.

Faster and blacker than the hounds of hell it goes . . . higher, more ominous than the Flying Dutchman of yore—it's a nightmare, a Nazi nightmare coming true.

For these wings—stretching across the sky—are tipped with the stars of the U. S. Navy. And that big black belly is fat with freight. Cargo picked up in Canada a few hours ago for delivery tomorrow in Gibraltar . . . or Cairo . . . or Murmansk.

This is *Convoy 1943*—a never-ending bridge of torpedo-proof ships across the ceiling of the world.

The building of Vought-Sikorsky cargo-carrying boats is one of the many Nash-Kelvinator war jobs. Along with 2,000 H.P., supercharged, high-altitude

engines to give our naval aviators their highest-flying, fastest fighter—the *Corsair*.

. . . Along with Hamilton Standard propellers for United Nations bombers—to turn those Axis nightmares into nights of fearful reality.

Let this be an example, Hitler, of how all America is back of its fighting forces—men who yesterday made refrigerators and automobiles are now working on

more deadly, precise instruments of destruction than a Nazi mind ever conceived of. And we are *all* in this fight to win—buying War Bonds . . . bringing in the scrap for victory.

So sleep while you can in Berchtesgaden . . . or Berlin . . . take your rest in Tokio. *The awakening is coming!* The might of America is on wing.

NASH-KELVINATOR CORPORATION

